Overall, the index is deeply overbought with an RSI of 86.73. We attribute this to the current market rally.

- Declining positive momentum was witnessed on the index in the last 3 trading days (MACD).

YtD Return: 17.91%

**UBN**

- The stock shed 3.69% in the previous week to close at NGN8.09.

- The MACD which is just about crossing below the signal line indicates bearish sentiments on the counter. Similarly, the weak bullish candlestick on the last trading day suggests that the counter may be set to witness bargain hunting activities. The RSI at 55.70 indicates that the counter is relatively overbought.

We expect to witness bargain hunting on the counter in the near term.

P/E: 10.33  Industry P/E: 9.23
EPS: 0.78  P/B: 0.50

**GUINNESS**

The ticker closed at NGN120.25 last week, following a price advancement of 10.33%. We note the rally has set a new resistance level for the stock, which currently trades at its year-high price of NGN120.25.

The MACD shows a decline in positive momentum on the counter. Also, the weaker bullish candlesticks suggest that the bears are gathering momentum to take charge on the price of the stock. Finally, the overbought stock is set for a reversal, as it trades above its Upper Bollinger Band of 121.05, with an RSI of 87.68.

We do not rule out profit taking on the counter this week
P/E: 84.60  Industry P/E: 27.51
EPS: 1.42  P/B: 4.22
The stock gained 5.00% last week to close at NGN63.00. There is currently a decline in positive momentum on the counter as indicated by the MACD. Also, the RSI at 69.66 shows that the stock currently trades at a relatively high price. Although, we still expect to witness positive sentiments on the counter, we do not rule out significant offers on the stock this week.

P/E: 65.97  
Industry P/E: 27.51

EPS: 0.95  
P/B: 15.01

The stock advanced by 18.06% during the week, to close at its year-high price of NGN1.83. The MACD shows the bulls have increased their hold on the stock price. Similarly, the RSI at 71.84 and the UBB of 1.78 suggest that the stock at NGN1.83 is overbought, and set to witness a reversal. We expect investors to recoup their gains on this counter in the near term.

P/E: 5.38  
Industry P/E: 7.00

EPS: 0.34  
P/B: 1.30

The stock closed at NGN41.38 after advancing by 5.00% last week. The Heikin Ashi candlestick and MACD both show a decline in bullish sentiments on the counter. Furthermore, the RSI at 99.89 indicates that the stock is trading deep in the overbought region. The stock traded flat for 3 days on the regular candlestick, Given all indicators, we expect to witness profit-taking on the counter this week.

P/E: 12.03  
Industry P/E: 23.55

EPS: 3.44  
P/B: 1.62
The global equities space has witnessed positive sentiments in recent times, resulting in the influx of investments in the equities market. Accordingly, the Nigerian equities market gained over 43.00% in 2017. Some factors responsible for the bullish run include: the US Fed’s interest rate changes, the positive impact of introduction of the I&E FX Window on foreign investors and the improving fundamentals of listed companies on the back of improving macroeconomic variables.

However, the Fear of Missing Out (FOMO) on the gains recorded in the bourse has increased speculative activities on counters, arising from the current positive market sentiments. It has therefore become imperative to analyse both the fundamentals and technicals of a stock through an in-depth technical and fundamental analysis.

Technical Indicators Used

Moving Average Convergence Divergence (MACD): It shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA. (Source: Investopedia)

Relative Strength Index (RSI): It is a technical indicator used in the analysis of financial markets. It is intended to chart the current and historical strength or weakness of a stock or market based on the closing prices of a recent trading period. The indicator should not be confused with relative strength. (Source: Wikipedia)

Bollinger Bands: Bollinger Bands are a volatility indicator similar to the Keltner channel. Bollinger Bands consist of an N-period moving average (MA) an upper band at K times an N-period standard deviation above the moving average (MA + Kσ) a lower band at K times an N-period standard deviation below the moving average (MA − Kσ). (Source: Wikipedia)

Candle sticks: A candlestick chart (also called Japanese candlestick chart) is a style of financial chart used to describe price movements of a security, derivative, or currency. Each "candlestick" typically shows one day; so for example a one-month chart may show the 20 trading days as 20 "candlesticks". (Source: Wikipedia).
Fair Value Estimate

In arriving at our fair value estimate, our analyst(s) utilised a blend of valuation methodologies such as; the Discounted Cash Flow (DCF), Residual Income (RI) and Dividend Discount and Relative Multiples methodologies. Consequently, a weighted average price is obtained based on specific company characteristics, industry standards and the broader economy.

Investment Ratings

BUY: We expect a total return of over 20% within the next twelve months on the counter.

ACCUMULATE: We expect a total return of between 10% and 20% within the next twelve months on the counter.

HOLD: We expect a total return less than 10% within the next twelve months on the counter.

REDUCE: We expect a total return less than or equal to 0% within the next twelve months on the counter.

SELL: We advise clients to sell the stock as it trades at a premium to its intrinsic value.

UR: “Under Review” - We currently do not have an investment recommendation on the stock.
MorganCapital Securities Limited ("MorganCapital"), formerly known as International Capital Securities Limited, was incorporated on 28th January, 1997; and was issued a license as a Dealing Member of the NSE on 3rd October, 1997, after obtaining license of the Securities & Exchange Commission (SEC) as a Broker/Dealer. The Company has remained a dealing member firm of the NSE since then (over 17 years ago). In 2009, MorganCapital got licensed by the SEC to perform an additional role as an Issuing House/Financial Adviser. MorganCapital was recently accredited by the Nigerian Stock Exchange as a Designated Adviser to the Alternative Securities Market (ASeM) Board, after a very rigorous and competitive process.

MorganCapital is a full fledge Investment Banking, Securities Trading and Principal Investments Firm, with licenses from the Nigerian Securities & Exchange Commission and the Nigerian Stock Exchange. MorganCapital provides a comprehensive range of investment banking and financial advisory services to private, public sector, corporate, and institutional clients.

In the past 15 months (up to March, 2013), our Firm has participated in fund raising programs that assisted State Governments in Nigeria to raise over N110bn in Bonds (either as Issuing House/Stockbrokers/Placement Agents). We have also assisted numerous private sector organizations in accessing funds from the Capital Market. Our firm has very strong contacts with many African-focused & emerging markets investors/fund managers. MorganCapital has advised on a number of transactions in the Nigerian Capital Markets, including provision of Financial Advisory Service to the Federal Government of Nigeria, through the Bureau of Public Enterprises ("BPE") for the concessioning of the National Arts Theater, the Tafawa Balewa Square, the Lagos Trade fair complex and the 6 National Stadia. MorganCapital also advised the BPE on the proposed sale of the Ijora Power Plant, the Calabar Power Plant and the Oji River coal-fired power plant.

Our group is focused on providing unbiased financial advisory and investment banking services to individuals and institutions that are seeking to invest in Africa or already involved in investing in Africa. One of our goals is to be the BEST link to the Nigerian Capital Market.

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