



Weekly Stock Recommendation



	Closing Price (N)	Forecast EPS(N)	YE Forecast PE(x)	YE Forecast Div Yield (%)	YE Forecast Earnings yield (%)	Vol. Traded (m)	Val. Traded (m)	52 week High (N)	52 week Low (N)	Market cap (Nbn)	Year end
Friday 19h Feb 2010	1.05	0.29	3.61	16.64	27.73	2.66	2.79	1.96	0.78	7.75	Dec 31 st

- AIICO Insurance Plc (“AIICO” or “the company”), was established in 1963 as an agency office of American Life Insurance Company (ALICO)
- It converted to a PLC in 1989 and listed its shares on the floor of the NSE in December 1990.
- The Federal Government subsequently divested its 60% holding in the company while ALICO retained its 40% interest.
- The company has a major advantage in terms of reach as its branches and agency offices are spread all over the country
- Aiico is a leader in the life insurance space and the enormous potential in the business line portends well for the Company’s business aspirations in the longer term.
- AIICO as a full fledged insurance company is involved in all major classes of insurance, both life and non-life. Its range of products and services include: group life insurance; ordinary life insurance; fire and special perils; burglary; marine; oil & gas etc.
- YE forecast PE valuation of 3.61x is below industry average.
- YE Forecast dividend yield and earnings yield are both above industry and market averages.

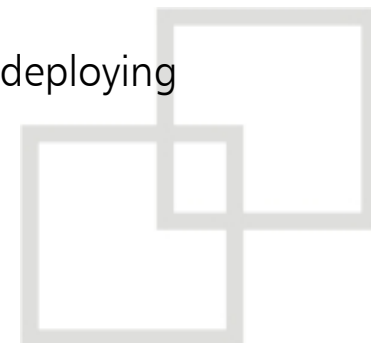
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Friday 19h Feb 2010	45.51	6.29	7.23	6.9	13.8	1.10	49.91	48.06	11.00	70.68	March 31 st

- Flour Mills of Nigeria Plc was incorporated in 1960 and listed on the Nigeria Stock Exchange in 1978.
- Their activities span flour milling, pasta manufacturing, port operations, fertilizer blending, agricultural business among others
- The Flour Mills group currently consists of 8 subsidiary companies (including NNFM and Bagco) and holds interests in 3 other companies
- YE forecast PE valuation of 7.23x is below its peer average of 15.97x
- Recently released 3rd quarter result shows an impressive 1,026.70% rise in PAT from N756.81 million to N8.53 billion.



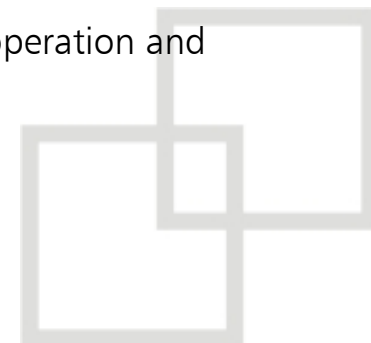
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Friday 19h Feb 2010	42.01	5.11	8.22	6.1	12.2	0.31	12.84	48.23	22.46	53.52	Dec 31 st

- Founded in 1879, UAC is one of the largest diversified conglomerates in Nigeria; primarily focused on the consumer foods sector, but with operations also spanning manufacturing, real estate, logistics, and automotive sectors
- The group controls two publicly traded mid-sized subsidiaries: CAP Plc, a leading paints manufacturer and UPDC Plc, the leading listed real estate developer
- Ongoing restructuring of the business has seen UAC strategically refocus its activities on the fast growing consumer foods portion of its business.
- Strong cash generative business, particularly with recent one time gains from disposals of non-core assets over the last few years
- Management remains focused on divesting from non-core businesses and deploying freed up cash in the core foods business



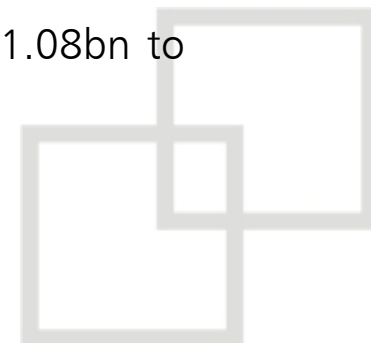
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Friday 19h Feb 2010	15.70	1.61	9.73	5.7	10.3	22.79	354.87	29.00	10.11	262.89	Dec 31 st

- Strong management team with very aggressive banking culture.
- One of the most capitalized stock on the exchange with market capitalization of N252.34 billion.
- At the heart of the Zenith Bank's strategy is a focus on mobilizing low cost deposits (corporate, public sector and retail) and lending to low risk, large corporate customers.
- Exceptional asset quality over the years.
- In Partnership with JP Morgan for the management of Nigeria's foreign reserves.
- Highly respected as one of the major players in the banking sector
- Profit after tax and exceptional items for fourth quarter ended September 30th 2009 stood at N16.39 billion after making a full provision of N26.14 billion for loan loss as recommended by the CBN following the recently concluded CBN/NDIC special examination.
- Was adjudged to have adequate capital and liquidity to support its current level of operation and future growth following the audit test conducted by CBN in the banking industry.



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Friday 19h Feb 2010	8.59	1.64	5.23	11.46	19.11	0.63	5.39	12.70	5.64	7.52	Dec 31 ST

- NAHCO was incorporated in 1979 and listed in 2005 after a successful public offer
- The company has a robust clientele base including the likes of Air France, British Airways and KLM Royal Dutch Airlines
- NAHCO is currently the only quoted company in the aviation handling industry with closest competitor SAHCOL still yet to be privatised and listed
- Recent market downturn has improved its fundamentals, leading to a rather attractive entry price
- YE Forecast P.E ratio of 5.23x is below market average, making the stock fundamentally undervalued
- Recently released Q3 results show an impressive 34% rise in PAT from N1.08bn to N805.11m. Our YE forecast stands at N1.44bn. FYE EPS is N1.64



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Friday 19h Feb 2010	6.50	0.82	7.90	7.59	12.65	0.46	2.97	7.03	2.82	14.35	Dec 31

- National Salt Company Nigeria Plc (NASCON) was established in 1971 and is involved in refining and packing of table, industrial and agricultural salts
- After many years of poor performance, NASCON has shown signs of recovery and growth following its recent acquisition by Dangote Industries Limited (a member of the Dangote Group).
- NASCON is diversifying into manufacturing and distribution of other processed products, which will include 'Petti' brand tomato puree, with strategies for exploiting the West African sub-regional market
- YE forecast P/E ratio of 7.04x is below industry average while YE forecast earnings yield of 12.65% is above market average.
- NASCON plans also to invest US\$12 million in the acquisition of offshore companies, refining and packing machines, investing in advertising and promotions and development of the foods businesses in the country

