

Stock Recommendation List

For

Week Ending 23rd May, 2008



	Closing Price (N)	Forecast EPS (N)	YE Forecast P/E (x)	YE Forecast Div yield (%)	Vol. Traded (m)	Val. Traded (m)	YTD High (N)	YTD Low (N)	6 month price target (N)	12 month Price Target (N)
Fri 16 th May 2008	60.90	3.29	18.48	3.00	19.85	1,192.42	60.90	11.33	65.00	70.00
Fri 9 th May 2008	56.60	3.22	17.58	3.10	17.72	1,008.19	60.12	54.70	65.00	70.00

- UBA was set up after the strategic merger between the then UBA and Standard Trust Bank (STB)
- One of the first banks to complete the consolidation process, the merger was aimed at providing one of the largest banks in Africa
- UBA is Nigeria's largest Bank by Total Assets, Total Deposits and Earnings
- The stock is highly liquid with over 19 million units traded on Friday the 16th May 2008. Total Shares outstanding is over 11 billion
- Recent market downturn has improved its fundamentals, leading to a rather attractive entry price
- YE Forecast P.E ratio of 18.48x is below market average, making the stock fundamentally undervalued
- *On Friday 16th May, the bank declared an interim bonus of 1 for 2 (rare occurrence) and dividend of 25 kobo. Closure date 2nd - 4th June*

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Fri 16 th May 2008	34.05	2.35	14.49	3.50	3.91	136.28	51.00	32.30	50.00	55.00
Fri 9 th May 2008	35.83	2.35	15.25	3.30	10.25	362.48	51.00	32.30	50.00	55.00

- Dangote Flour Mills (DFM) was incorporated in 2004 and restructured in 2006
- The group is made up of two subsidiaries including Dangote Agro Sacks and Dangote Pasta. DFM is involved in the business of flour milling, processing and marketing of branded flour
- The company can leverage on the success of affiliate company – Dangote Sugar Refinery (DSR) and parent company – Dangote Industries Limited
- The company's capitalisation of N340 billion makes it the largest in the consumer goods industry
- The stock is currently trading at a discount of 35.27% off its year high price of N56.00 making it a relatively attractive entry point.
- YE forecast PE valuation of 14.49x makes it the cheapest in the industry
- Our 6 month and 12 month target prices stand at N50.00 and N55.00 respectively

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Fri 16 th May 2008	24.45	1.60	14.49	3.50	0.53	12.63	35.50	23.00	35.00	37.00
Fri 9 th May 2008	24.00	1.60	14.97	3.30	0.42	10.22	35.50	23.00	35.00	37.00

- RT Briscoe was incorporated in 1957 and listed on the floor of the NSE in 1974
- A primary dealer of Toyota Vehicles in Nigeria, the company recently expanded its product portfolio and was appointed a dealer of the Ford Motor Company
- Over the years, RT Briscoe has built a reputation of being one of the top car dealers in the country
- The company set a property management subsidiary - Briscoe Properties Limited to service a residential estate and other available properties
- At 14.49x, the forecast PE ratio of RT Briscoe is below market average. Forecast dividend yield and earnings yield are 3.5% and 6.9% respectively
- The company is also close to its year low of N23.00 making its current price an attractive entry point

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Fri 16 th May 2008	29.00	1.05	27.63	1.80	0.0004	0.002	40.11	28.01	40.00	45.00
Fri 9 th May 2008	28.82	1.05	27.45	1.80	0.03	0.95	40.11	28.82	40.00	45.00

- Okomu Oil Palm is one of the two major quoted agro-allied companies on the Nigerian Stock Exchange
- The company was established in 1979 and listed on the floor of the stock exchange in 1991
- Located in Benin City, the Company is into the plantation and production of palm oil
- At N29.00, the company is very close to its Year-to-Date low of N28.01. We believe that this price presents an attractive entry point
- With a 2008 forward EPS of N1.05 and YE Forecast Price to Book of 3.3x, the stock is regarded as fundamentally undervalued
- Its Net Asset Per Share of N9.33 also signifies a more stable stock than its closest rival – Presco at N1.35