

NIGERIAN MONEY & CAPITAL MARKETS

Friday, May 09, 2008

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FSDH Equity Market Indicators

	Value	NGN	USD	NGN	USD
		1 week % Δ		1 Year % Δ	
NSE ASI	62,518.07	5.74	5.76	32.85	40.47
Mkt Cap(Nb)	12,122.66	6.06	6.08	80.10	87.71
FSDH 20	640.68	1.54	1.56	51.66	59.27
FSDH 40	640.68	4.62	4.74	48.20	55.82
FSDH Bank	952.08	5.91	6.02	58.36	65.98
FSDH Ethical	120.20	4.83	4.85	3.42	11.03
FSDH Ins.	713.43	4.95	4.97	32.74	40.36
FSDH Mfg.	325.02	3.72	3.74	12.16	19.78
FSDH Pet. Mkt	889.56	4.85	4.87	194.5	202.15

	Last Week	1 week % Δ
Volume Traded (m)	3,791.409	44.10
Value Traded (N/m)	74,433.342	56.36
Deals	89,212	34.41

Coral Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	2.80	3.44
Coral Ethical Fund	(1.03)	1.09
Coral Income Fund	2.30	0.95

Please note that all the funds shown above have varying asset allocation structure.

Money Market Indicators

Interest Rates %	Last Week	1 Wk Ago	12 Mths Ago
MPR	10.0000	10.0000	10.0000
NIBOR 7 days	11.0000	9.6667	7.8750
NIBOR 30 days	13.1667	12.6250	11.0830
NIBOR 90 days	13.5000	13.5417	12.8330



Economic Review

Money Outside the Banking System Decreases

Available data from the Central Bank of Nigeria (CBN) in its Economic Report for the month of January, 2008 released recently, indicates that the total monetary assets measured by M2 (broad money) increased by 11.1% to N5.35trillion, compared with the decline of 0.3% in December 2007. The increase in M2 was attributed largely to the rise in foreign assets (net) and other assets (net) of the banking system. Similarly, narrow money rose by 10.1% to N2.82trillion, in contrast to the increase of 7.8% in the preceding month. The proportion of the money outside the banking system to total monetary aggregates decreased to 12.52% at the end of January 2008 from 15.19% in December 2007 and 14.66% as at the end of January 2007. The proportion of narrow money to total monetary aggregates in the country declined from 53.24% as at December 2007 to 52.8% in January 2008, while the ratio of quasi-money to total monetary aggregate increased from 46.76% as at December 2007 to 47.24% in January 2008. M2 in Nigeria is a combination of time, savings, and foreign currency deposits with the Deposit Money Banks (DMBs), excluding takings from discount houses, (which are generally referred to as quasi-money), while M1 (narrow money) is made up of demand deposits and currency outside banks.

The total assets/liabilities of the twenty four (24) Deposit Money Banks (DMBs) in Nigeria amounted to N10.79trillion as at the end of January 2008, representing an increase of 6.7% and 54.1% over the levels in the preceding month and at the end of December, 2006 respectively. The report shows that total specified liquid assets of the DMBs stood at N3.07trillion, representing 48.7% of their total current liabilities. The assets were 7.2% higher than the preceding month's level, and 8.7% over the stipulated minimum ratio of 40% for fiscal 2008. According to the report, the loan-to-deposit ratio rose by 3.4% over the preceding month level and was 0.1% points below the prescribed maximum target of 80%.

Total assets/liabilities of discount houses stood at N259.9billion as at end-January 2008, indicating a decline of 12.9% over the level in the preceding month. The fall in assets relative to the preceding month was attributable to the 6.9% and 47% decline in "claims on Federal Government" and "claims on banks", respectively, while the decline in the total liabilities was attributed largely to the 73.7% and 11.8% rise in "money at call" and "other amounts owing", respectively. Discount Houses investments in Federal Government securities of less than 91-day-maturity amounted to N115.4billion, representing 68.7% of their total deposit liabilities. The report also indicates that the credit to the domestic economy rose by 6.7% over the level in the preceding month. The breakdown showed that credit to the government and the core private sector rose by 5.1% and 6.8%, respectively, over their levels in the preceding month. Meanwhile, Central bank's credit to the DMBs fell by 32.8% to N20.1billion in the month under review, reflecting the decline in loans and advances from CBN.

In our opinion, the decrease in the money outside the banking system is a direct reflection of the significant improvement in the patronage from the banking public on the banking products and services. This can be linked to the improved confidence in the banking system mainly on account of the reform in the banking system.

Key Economic Indicators	%
Inflation Rate (YoY) Mar. 2008	7.80
Inflation Rate (12 mths Ave.) Mar. 2008	5.58
Foreign Reserves (US\$b) Mar., 2008	59.70
GDP Growth Rate, Dec. 2007	7.64

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CBN Treasury Bill Auction Results

Tenor	91-Day 08- May	182-Day 08-May	364-Day 08-May	-	-
Offer(₦'b)	5.110	35.00	15.00	-	-
Subscription(₦'b)	6.382	42.279	76.966	-	-
Allotment(₦'b)	5.110	35.527	15.00	-	-
Stop Rate	8.40	9.25	8.88	-	-

OMO	06-Apr	09- May	09- May	-	-
Tenor(days)	177	272	272	-	-
Bids(₦'b)	-	-	-	-	-
Sales(₦'b)	5.00	9.00	2.00	-	-
Stop Rate (%)	9.15	9.25	9.25	-	-

Exchange Rate (NGN/USD)

	This Week	1 Wk Ago	12 Mths Ago
Official	116.68	116.70	126.30
Banks	117.90	117.83	127.64
Parallel	119.80	119.10	129.90

Top Gainers & Losers % Terms

Gainers	May 09 (₦)	% Δ	Losers	May 09 (₦)	% Δ
Presco	23.89	27.48	A.G Leventis	12.81	(17.83)
Ecobank	10.11	27.17	Vono	6.94	(13.25)
Aboseldy	4.70	27.03	Juli	4.43	(12.10)
Aso Saving	5.65	26.97	Costain	44.00	(11.36)
Mutual Benefits	4.86	24.62	Berger	15.14	(10.94)

5 Most Actively Traded Stocks

S/N	Company	Deals	Volume (m)	Value (N'm)
1	CCNN	256	639.883	9,949.034
2	Universal Insurance	4,881	243.951	718.152
3	UBA	3,091	238.683	13,761.571
4	Oceanic	4,804	175.703	4,862.777
5	Fidelity	1,893	153.904	1,657.618

Money Market

The money market ended the week **tight** in spite of the huge amount of matured bills worth about **N183.76billion** that hit the system from both the primary and secondary segments of the market. Consequently, inter-bank rates inched up during the week.

The inter-bank market transactions showed that the **7-day NIBOR** inched to close the week at **11%**, a **133** basis point increase from the previous week's figure of **9.67%**. The **90-day NIBOR**, however dipped to close the week at **13.50%**, a **4** basis point increase from the previous week's figure of **13.54%**.

At the **91-day** Treasury bill auction held during the week, a total of **N5.11billion** worth of bill was offered and allotted; **N6.38billion** was subscribed, leading to a subscription level of **124.90%**. The bill was issued at a discount rate of **8.40%** which is **25** basis point increase from the previous week's figure of **8.15%**. A total of **N5.11billion** worth of matured bills was repaid into the system, resulting in nil flow from this segment of the market.

At the **182-day** Treasury bill auction, the CBN offered a total of **N35billion** worth of bill, while a total of **N42.30billion** was subscribed, leading to a subscription level of **119.01%**. A total of **N15.53billion** worth of bill was initially allotted, while **N20billion** was underwritten by Money Market Dealers (MMDs); the bill was issued at a discount rate of **9.25%** which is a **5** basis point decrease from the previous week's figure of **9.20%**. A total of **N10billion** worth of matured bills were repaid into the system, resulting in a total outflow of **N25.53billion** from this segment of the market.

At the **364-day** Treasury bill auction, a total of **N15billion** worth of bill was offered and allotted; **N76.97billion** was subscribed, leading to a subscription level of **513.11%**. The bill was issued at a discount rate of **8.88%** which is **77** basis point decrease from the previous month figure of **9.65%**.

A total of **N72.65billion** worth of **7-day Reverse Repo** was repaid into the system.

The net inflow into the primary segment of the money market was **N32.23billion**.

At the secondary segment of the government securities market, total bids received in the two-way quote trading system amounted to **N16billion** with tenor days ranging from **177** to **272** days. A total of **N96billion** worth of matured bills were repaid into the system, resulting in a total inflow of **N80billion** from this segment of the market.

At the foreign exchange auction held on Monday and Wednesday, the CBN offered **US\$90million**; however, a total of **US\$26million** was sold, this led to a subscription level of **32%**. Marginal rate stood at **N116.68/US\$1**.

Cumulatively, the money market witnessed a net inflow of about **N109.20billion** from both the government securities market and the foreign exchange market.

The value of the Naira appreciated at the official market, but depreciated in the parallel and inter-bank markets. At the official market the value of the Naira appreciated by **2kobo** to close the week at **N116.68/US\$1**, up from the previous week's figure of **N116.70/US\$1**. At the parallel and inter-bank markets, the value of the Naira depreciated by **1.70kobo** and **7kobo** to close the week at **N119.80/US\$1** and **N117.90/US\$1** from the previous week's figures of **N118.10/US\$** and **N117.83/US\$1** respectively.

Equities Market

The All-Share Index (ASI) recorded an appreciation of **5.74%**, compared with the depreciation of **2.11%** recorded in the preceding week. The ASI closed the week at **62,518.07** points, up from **59,124.87** points recorded in the previous week. The bullish trend in the market during the week was due to the impressive corporate results released into the market. The sectoral contributors to the gain in the market were the **Banking, Insurance, Petroleum Marketing** and **Manufacturing sub-sector**. The market capitalization also appreciated to close the week at **N12,122.657billion**

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(approximately **US\$97,944.773billion**). It appreciated by **6.06%**, compared with the depreciation of **2.11%** recorded in the preceding week. The difference between the All-Share index and the Market Capitalization is due to new listing during the week.

All the **FSDH Indices** appreciated during the week. The **FSDH Ethical Index** appreciated by **4.83%** to close the week at **120.20** points and the **FSDH 20 NEVI** appreciated by **1.54%** to close the week at **681.90** points, also, the **FSDH 40 NEGI** appreciated by **1.15%** to close the week at **612.42** points.

The **FSDH Banking Index** appreciated by **5.91%** to close the week at **952.08**. The depreciation in the index was due the gains recorded in the share prices of **IBTC-Chartered** (Up 18.91% to N21.00), **Access** (Up 17.27% to N20.91), **Union** (Up 15.70% to N41.94), **Oceanic** (Up 10.21% to N28.60), **First Bank** (Up 9.65% to N46.00), **Zenith** (Up 7.20% to N49.30), **Diamond** (Up 5.06% to N18.90), **FCMB** (Up 4.41% to N17.74), **Fidelity** (Up 4.36% to N11.00) **GT Bank** (Up 3.03% to N33.98) and **UBA** (Up 2.91% to N56.60).

The **FSDH Insurance Index** appreciated by **4.95%** to close the week at **713.43** points due to the gains recorded in the share prices of **Mutual Benefits** (Up 24.62% to N4.86), **Lasaco** (Up 13.64% to N4.50), **WAPIC** (Up 12.14% to N11.55), **Royal Exchange** (Up 8.89% to N6.00), **Law Union & Rock** (Up 3.20% to N5.80), **UNIC** (Up 3.18% to N4.22), **Cornerstone** (Up 3.11% to N4.64) and **Standard Alliance** (Up 2.35% to N4.80).

Investors' interest in the Petroleum Marketing stocks returned during the week as the **FSDH Petroleum Marketing Index** appreciated by **4.85%** to close the week at **889.56** points. The appreciation recorded in the index was due to the gains recorded in the share prices of **Oando** (Up 9.79% to N258.00), **Chevron** (Up 5.00% to N293.26) and **Conoil** (Up 4.57% to N128.10) despite the loss recorded in the share price of **Mobil** (Down 8.14% to N228.01).

The **FSDH Manufacturing Index** appreciated by **3.72%** to close the week at **325.02** points. The appreciation recorded in the index was due to the gains recorded in the share prices of **Presco** (Up 27.48% to N23.89), **NAHCO** (Up 18.96% to N26.48), **Unilever** (Up 16.06% to N25.30), **PZ Cussons** (Up 13.45% to N28.93), **Ashakacem** (Up 11.65% to N43.52), **WAPCO** (Up 10.78% to N56.85), **UPDC** (Up 10.09% to N25.21) and **GlaxoSmithkline** (Up 7.80% to N23.50).

Other top five gainers for the week were **Presco** (Up 27.48% to N23.89), **Ecobank** (Up 27.17% to N10.11), **Abosedelhyde** (Up 27.03% to N4.70), **Aso Savings** (Up 26.97% to N5.65) and **Mutual Benefits** (Up 24.62% to N4.86), while other top five losers for the week were **A.G Leventis** (Down 17.83% to N12.81), **Vono** (Down 13.25% to N6.94), **Juli** (Down 12.10% to N4.43), **Costain** (Down 11.36% to N44.00), and **Berger** (Down 10.94% to N15.14).

Overall, **eighty-six (86)** stocks recorded gains in their share prices; **forty-one (41)** stocks recorded losses while **ninety (90)** stocks closed the week unchanged.

Over-the-Counter Market for FGN Bond

A turnover of **117million** units worth **N121.3billion** in **1,048** deals was recorded during the week, in contrast to a total of **81.72million** units valued at **N83.8billion** exchanged in **705** deals during the week ended April 30, 2008. The most active bond (measured by turnover volume) was the **4th FGN Bond 2010 Series 4** with a traded volume of **21.9million** units valued at **N22.11billion** in **194** deals.

Supplementary Listing

A total of **5,162,891,311** shares were added to the shares outstanding in the name of **Zenith Bank Plc** following the conclusion of its Public Offering and Rights Issue. A total of **441,215,051** shares were added to the shares outstanding in the name of **AG Leventis Nigeria Plc** following a bonus of **1 for 5**. Also, a total of **112,125,000** shares were added to the shares outstanding in the name of **UTC Nigeria Plc** following the bonus issue of a **1 for 10**.

New Listing

A total of **28,000,000,000** shares in the name of **Investment & Allied Assurance Plc** were admitted to the Daily Official List of the Nigerian Stock Exchange on Friday, 09 May 2008.

Technical Suspension

The Nigerian Stock Exchange (NSE) lifted the Technical Suspension placed on the share prices of **Standard Alliance Insurance Plc, Custodian and Allied Insurance Plc and Great Nigerian Insurance Plc** after the conclusion of their Public Offering.

Change of Name

The name of **IBTC Chartered Bank Plc** has been changed to **Stanbic IBTC Bank Plc** following the merger between **IBTC Chartered Bank Plc** and **Stanbic Bank Nigeria Ltd**.

Outlook and Analysis Money Market

We expect the tightness in the market to persist as the CBN continues its mop up exercise, consequently, we expect that inter bank rates would inch up slightly in the week ahead. We also anticipate that matured bills worth about **N43.5billion** to hit the system in the week ahead.

We expect the increase in the costs of food imports into the country to put demand pressure on the foreign exchange, consequently, leading to depreciation in the value of NGN against the USD in the short term. This effect may be more evident in the parallel and the inter-bank markets as the CBN may intervene to increase supply in the official market.

Equities Market

We expect the bullish trend in the market to be sustained as a result of the impressive corporate results to be released in to the market despite the possible profit taking in the short term.

We recommend the stocks below with good fundamentals for the medium to long-term investors.

Recommended Stocks

S/ N	Stocks	Current Price	Current PE Ratio	Projected Price
1	Bank PHB	27.99	12.48	32.26
2	Diamond Bank	18.90	20.83	25.00
3	GT Bank	33.98	26.93	45.00
4	Oceanic Bank	28.60	21.50	37.27
5	UBA	56.60	24.48	64.00
6	Flour Mills	88.50	19.25	115.00
7	Nestle	224.17	26.72	290.00
8	Mutual Benefit	4.86	58.54	6.50
9	WAPIC	11.55	52.70	15.00
10	LASACO	4.50	40.91	7.00
11	Prestige	10.45	20.56	15.00
12	Law Union	5.80	37.98	8.50

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Company Interim and Full Year Results

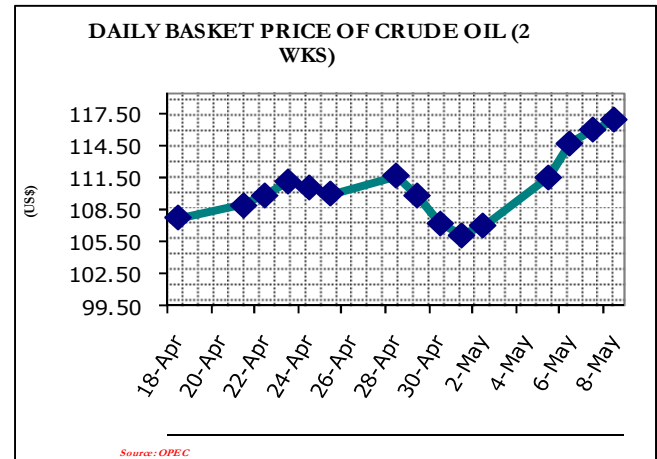
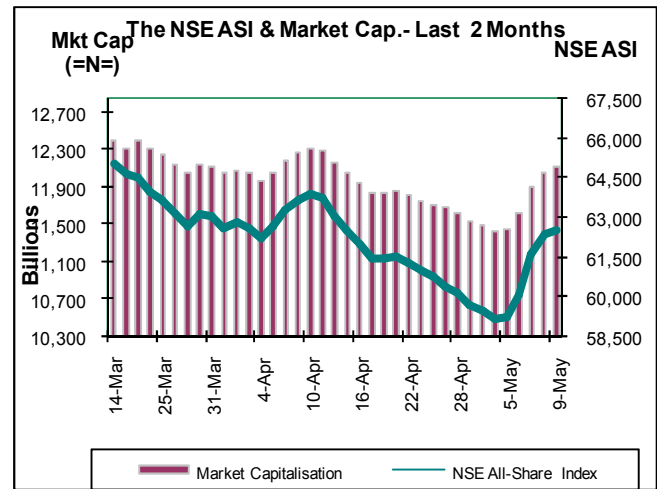
Company	Period Ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
Japaul	F/Y Dec. 07	2,328	66.17	378.12	99.07
Goldlink	3mth Mar. 08	1,213.8	57.15	274.99	59.04
Berger	3mth Mar. 08	637.29	20.31	34.95	65.24
Beta Glass	F/Y Dec. 07	7,032	36.94	866.25	127.3
Zenith	9mth Mar. 08	120,306	70.00	33,323	136.6
UACN	3mth Mar. 08	10,787	19.79	837.24	68.48
	F/Y Dec. 07	31,478	10.83	3,058	(4.53)
Fidelity	9mth Mar. 08	27,284	55.70	9,344	205.2
Beta Glass	3mth Mar. 08	1,822	22.78	106.54	33.94
N.E.M	3mth Mar. 08	1,057	64.18	492.50	408.7
Custodian	3mth Mar. 08	1,144	54.87	511.81	166.2
Linkage	9mth Sep. 07	1,230	77.49	231.40	13.02
Morison	3mth Mar. 08	104.60	157.7	8.07	346.9
CAP	3mth Mar. 08	553.60	(0.6)	172.73	122.4
Guinness	9mth Mar. 08	49,500	11.5	7,500	9.6
GlaxoSmit	3mth Mar. 08	2,960	37.7	405.95	122.9
John Holt	3mth Dec. 07	5,292	46.9	133.00	254.7

Dividend and Bonus Announcements

Company	I/F	DPS	Bonus	Closure Date	Payment Date
Japaul	F	0.14	-	16-May-08	6-Jun-08
Beta Glass	F	0.15	1 for 10	19-May-08	19-Jun-08
UACN	F	1.20	-	8-May-08	4-Jun-08
Ecobank	F	0.24	-	22-May-08	N/A

Foreign Stock Market Indices (April 25-April 30, 2008)

	YTD Change	% Weekly % Change
North/Latin America		
DJIA (U.S.A.)	(3.73)	(1.47)
S & P 500 Index (U.S.A.)	(5.47)	(1.15)
NASDAQ (U.S.A.)	(8.35)	(1.04)
Bovespa Index (Brazil)	9.14	0.51
Europe		
SMI (Switzerland)	(10.59)	(1.04)
FTSE 100 Index (UK)	(3.18)	0.89
CAC 40 Index (French)	(10.16)	(0.28)
DAX Index (Germany)	(12.34)	0.41
MSI Index (Spain)	(7.88)	0.11
Africa		
NSE All-Share Index (Nigeria)	7.58	5.52
JSE All-Share Index (S/A)	8.50	4.59
GSE All-Share Index (Ghana)	43.23	1.35
Cairo SE Gen (Egypt)	12.17	(1.54)
Asia/Pacific		
NIKKEI 225 Index (Japan)	(8.91)	(0.75)
BSE 30 Index (India)	(15.47)	(2.95)
Hang Seng Index (Hong Kong)	(7.02)	(3.02)



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