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FSDH Equities Market Indicators

	Value	NGN	USD	NGN	USD
	This Week	1 week % Δ		1 Year % Δ	
NSE ASI	27,086.56	4.93	4.97	(51.16)	(76.95)
Mkt. Cap.(Nbn)	6,177.29	4.93	4.97	(43.21)	(69.00)
FSDH 20	285.75	9.24	9.28	(54.13)	(79.92)
FSDH 40	273.86	6.28	6.32	(49.65)	(75.45)
FSDH Bank	342.75	7.90	7.94	(57.12)	(82.91)
FSDH Ethical	68.57	5.82	5.86	(41.18)	(66.97)
FSDH Ins.	180.54	1.06	1.10	(70.04)	(95.84)
FSDH Mfg. & Allied	215.62	4.44	4.48	(31.18)	(56.97)
FSDH Pet. Mkt	371.89	0.99	1.03	(54.67)	(80.46)

	This Week	1 Week % Δ
Volume Traded (m)	2,347.17	(10.96)
Value Traded (N'm)	19,058.21	(7.68)
Deals	46,350	26.20

Coral Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	3.38	3.40
Coral Ethical Fund	(24.82)	0.53
Coral Income Fund	4.64	0.26

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

Money Market Indicators

Interest Rates (%)	This Week	1 Wk Ago	12 Mths Ago
MPR	8.0000	8.0000	10.2500
NIBOR 7 days	21.5833	20.0000	9.7917
NIBOR 30 days	21.6250	20.5417	13.9167
NIBOR 90 days	21.8750	21.4167	13.6197

Economic Review

IMF Demands Greater Prudence

The International Monetary Fund (IMF) has urged governments to fully implement the spending measures they have announced to combat the global economic crisis and not to relax in supporting an evolving recovery. IMF's First Deputy Managing Director John Lipsky, said in a speech in Paris that the latest economic news from around the world gives reasons for cautious optimism as there are tentative signs emerging that the rate of decline in global output is moderating and that financial conditions are improving. Lipsky said it was too early to draw firm conclusions but that the news offers positive reinforcement for the exceptional efforts under way to resist the extraordinary challenge. Noting that the breadth and severity of the financial crisis and economic slowdown are the most serious experienced since the 1930s, he said there is an ongoing policy support that would be crucial in laying down firmer foundations for renewed growth, including the restoration of financial sector's health.

Meanwhile, policymakers around the world have responded with flexibility and ingenuity, using all the artillery available to them, including large-scale fiscal stimulus, relaxed monetary policy, plus strong and often innovative support for the financial sector. He said the speed and magnitude of the policy response has no doubt played a key role in turning around market sentiments, in slowing the decline in economic activity, and in truncating the downside risks. On the monetary front, despite some normalization of inflation expectations, monetary policy should remain expansionary for the time being, including through "unconventional measures" where needed. Together with budgetary support, low policy interest rates and steeper yield curves will help strengthen financial institutions' earnings and balance sheets, which would hopefully boost lending to the private sector. He noted that monetary policy has been relatively successful in normalizing conditions in money markets, but has had less influence over longer term interest rates.

Lipsky warned that there is a need to avoid new vulnerabilities further down the road now that the danger of a total financial system collapse has receded adding that preparations should be made on a clear exit strategy for government's intervention in both the fiscal and monetary areas. He said government debt is now projected to grow at a rapid pace for several years, and in the case of several advanced economies, it has approached the highest level since World War II. Policymakers must steer proficiently between avoiding a untimely removal of fiscal stimulus that would nip the recovery in the bud, and, on the other hand, allowing debt to increase to levels that would cause concerns about its fiscal sustainability.

In a similar development, the World Bank Group (WBG) affirms that there is a need to remain focused on the human rescue for the many millions left behind. The Bank is encouraging developed countries to pledge 0.7% of their stimulus packages, or as much as they can in additional money, to a global vulnerability fund to help developing countries, which can't afford bailouts and deficits. The vulnerability fund is a target for developed countries to scale up help to existing development actors such as national aid agencies, UN agencies, multilateral development banks, non-governmental organizations, etc.

FSDH Research believes that the Nigerian monetary authority is implementing good measures to ensure that the financial system remains strong and healthy in order to act as a catalyst for economic growth. However, there is a need for the fiscal authorities to embrace good information and communication process so that the private sector does not receive a wrong signal that will further weaken their confidence in the national economy.

Key Economic Indicators	%
Inflation Rate (YoY) May 2009	13.2
Inflation Rate (12 mths Ave.) May 2009	13.8
Foreign Reserves (US\$bn) January, 2009	50.05
GDP Growth Rate March, 2009	6.32

FGN Securities Auction Results

Tenor	91 day	182 day	-	-	-
	25Jun09	25Jun09	-	-	-
Offer(N'b)	-	-	-	-	-
Subscription(N'b)	-	-	-	-	-
Allotment(N'b)	-	-	-	-	-
Stop Rate	-	-	-	-	-

	EDW**	EDW**	OMO	OMO	-
Tenor(days)	90	14	84	213	-
Withdrawal(N'b)	6.94	41.00	7.00	20.55	-
Injection (N'b)	-	-	-	-	-
Stop Rate (%)	-	-	3.64	5.74	-

*EDW-Expanded Discount Window **Last Week

Exchange Rate (NGN/USD)

	This Week	1 Wk Ago	12 Mths Ago
Official	146.70	146.76	116.62
Banks	147.30	148.37	117.71
Parallel	155.00	160.50	119.00

Top Gainers & Losers % Terms

Gainers	July 03 (N)	% Δ	Losers	July 03 (N)	% Δ
Cutix	3.58	26.95	Intercont Bank	7.81	(22.44)
Neimeth	4.12	26.77	Dunlop	0.65	(19.75)
BAGCO	2.45	26.29	MTI	0.57	(18.57)
C&I Leasing	2.94	26.18	Sovereign Trust	0.75	(13.79)
Skye Bank	7.49	22.39	Standard Allian	1.27	(13.61)

5 Most Actively Traded Stocks

Company	Volume (mn)
Access Bank	162.78
First Bank	135.60
Zenith Bank	133.81
UBA	132.69
Guaranty Trust Bank	114.62

Money & Fixed Income Markets

As expected, liquidity tightness persisted in the inter-bank market; consequently, inter-bank rates inched up to close the week. Available data showed that the **7-day NIBOR** closed the week at **21.58%**, a **158** basis point increase from the previous week's figure of **20.00%**. Also, the **90-day NIBOR** closed the week at **21.87%**, a **45** basis point increase from the previous week's figure of **21.42%**.

As at the time of this report, we were not able to obtain the Treasury Bills transactions for the week from the Central Bank of Nigeria (CBN). However, the transactions in the week ended June 26, 2009 indicated that there was no auction on the **91-day** Treasury bill.

At the **182-day** Treasury bill auction, a total of **N10bn** worth of bill was repaid, leading to an inflow of **N10bn** from this segment of the market.

At the secondary segment of the government securities market, a total of **N47.94bn** worth of **EDW** (Expanded Discount Window) was withdrawn, while **N27.55bn** was withdrawn from the system through **OMO** auctions. The **OMO** auctions had tenor days ranging from **84-213** days. The discount rates on the bill ranged from **3.64%** to **5.74%**.

In all last week, there was a net total outflow of **N65.49bn** from the primary and secondary segment of the government securities market.

At the foreign exchange auction held on Monday, June 29, 2009, the CBN offered **US\$150mn**, same as it offered in the previous week, while it sold a total of **US\$81.29mn**. The sale was **45.81%** lower than what was on offer. On Wednesday, July 01, 2009, the CBN offered **US\$150mn** while it sold **US\$70.07mn**; the sale was **53.29%** lower than what was offered. In all this week, a total of **US\$300mn** was offered while **US\$151.35mn** was sold; the sale was **49.55%** lower than what was offered in the week.

The value of the Naira appreciated in all the three segments of the foreign exchange market during the week. At the parallel, inter-bank and official markets, the value of the naira appreciated by **N5.50**, **N1.07** and **6kobo** to close the week at **N155.00/US\$1**, **N147.30/US\$1** and **N146.70/US\$1** compared with the previous week's figures of **N160.50/US\$1**, **N148.37/US\$1** and **N146.76/US\$1** respectively.

Equities Market

The bull dominated the equities market in the earlier part of the week as the **Nigerian Stock Exchange All-Share Index (NSE ASI)** closed the week higher, however, there was profit taking in the last trading session of the week. The **NSE ASI** closed the week at **27,086.56** points, up from the previous week's figure of **25,813.55** points, an appreciation of **4.93%**, compared with the depreciation of **10.71%**, recorded in the preceding week. The year to date loss in the index stood at **13.88%** to end the week. The appreciation in the index was on account of the gains recorded in the **Banking, Insurance, Manufacturing & Allied** and **Petroleum Marketing** sub-sectors. The market capitalization also appreciated to close the week at **N6,177.29bn** (approximately **US\$42.11bn**). It appreciated by **4.93%**, compared with the depreciation of **10.71%** recorded in the preceding week.

All the **FSDH Indices** appreciated in value during the week. The **FSDH 20 NEGI** appreciated by **9.24%** to close the week at **285.75** points, the **FSDH 40 NEVI** appreciated by **6.28%** to close the week at **273.86** points, and the **FSDH Ethical Index** appreciated by **5.82%** to close the week at **68.57** points.

The **FSDH Banking Index** appreciated by **7.90%** to close the week at **342.75** points, compared with the previous week's depreciation of **15.66%**. The gain in the index was due to appreciation in the share prices of **Skye Bank** (Up 22.39% to N7.49), **GT Bank** (Up 19.81% to N15.24), **Zenith Bank** (Up 14.30% to N14.95), **UBA** (Up 13.66% to N13.98), **Diamond Bank** (Up 13.46% to N8.85), **First Bank** (Up 10.06%

to N22.00), **FCMB** (Up 7.19% to N8.50), **Afribank** (Up 7.04% to N7.91), **Union Bank** (Up 3.38% to N16.81) and **Stanbic IBTC** (Up 2.98% to N7.25); despite depreciation in the share prices of **Intercontinental Bank** (Down 22.44% to N7.81), **Access Bank** (Down 7.43% to N7.60) and **Oceanic Bank** (Down 0.60% to N6.65).

The **FSDH Manufacturing & Allied Index** appreciated by **4.44%** to close the week at **215.62** points, compared with the previous week's depreciation of **5.84%**. The appreciation recorded in the index was due to the gains recorded in the share prices of **UPDC** (Up 17.97% to N19.63), **Ashakacem** (Up 17.87% to N14.97), **Julius Berger** (Up 15.20% to N33.80), **UACN** (Up 15.09% to N40.28), **Nigerian Bottling** (Up 10.30% to N22.49), **Dangote Sugar** (Up 9.66% to N17.82), **Unilever** (Up 6.48% to N13.31), **Flour Mills** (Up 4.99% to N24.00), **R.T. Briscoe** (Up 4.61% to N5.67), and **Nigerian Breweries** (Up 3% to N51.50).

The **FSDH Insurance Index** appreciated by **1.06%** to close the week at **180.54** points, compared with the previous week's depreciation of **9.38%**. The appreciation in the index was due to the losses recorded in the share prices of **Niger Insurance** (Up 20.83% to N2.32), **Consolidated Hallmark** (Up 12.70% to N0.71), **International Energy** (Up 10.56% to N1.57), **N.E.M** (Up 6.98% to N0.92), **Intercontinental WAPIC** (Up 4.17% to N2.25), **Mutual Benefits** (Up 11.11% to N1.20), **Linkage** (Up 3.51% to N0.55), and **Lasaco** (Up 3.16% to N0.98); despite depreciation in the share prices of **Cornerstone** (Down 8.18% to N1.01), **AIICO** (Down 7.87% to N1.17) and **Law Union & Rock** (Down 4.73% to N1.41).

The **FSDH Petroleum Marketing Index** appreciated by **0.99%** to close the week at **371.89** points, compared with the previous week's marginal appreciation of **0.31%**. The appreciation recorded in the index was due to the gains recorded in the share prices of **Oando** (Up 7.29% to N91.89), **Mobil** (Up 4.98% to N123.87) and **TOTAL** (Up 3.52% to N175); despite depreciation in the share price of **African Petroleum** (Down 5.27% to N94.53).

Other top gainers for the week were **Cutix** (Up 26.95% to N3.58), **Neimeth** (Up 26.77% to N4.12), **BAGCO** (Up 26.29% to N2.45), **C & I Leasing** (Up 26.18% to N2.94), **University Press** (Up 22.39% to N7.49) and **Nigerian Wire and Cable** (Up 15.24% to N1.89); while other top losers for the week were **Dunlop** (Down 19.75% to N0.65), **MTI** (Down 18.57% to N0.57), **Sovereign Trust** (Down 13.79% to N0.75), **Omatek** (Down 13.41% to N1.42) and **Big Treat** (Down 9.24% to N2.16).

Overall, **seventy (70)** stocks recorded gains in their share prices; **forty-six (46)** stocks recorded losses, while **Ninety-two (92)** stocks closed the week unchanged.

Memorandum Listing

The **3,205,725,266** units of **Lotus Capital Halal Investment Fund** was admitted on the Daily Official List under memorandum listing at **N0.87** per unit on Tuesday June 30, 2009. By this action, the number of Managed Funds granted Memorandum Listing status increased to **25**.

Technical Suspension

Cadbury Nigeria Plc was placed on technical suspension on Monday, June 29, 2009 on receiving the Company's application to undertake supplementary share offering. Also, technical suspension on **Eterna Oil & Gas Plc** was lifted following the two weeks expiration allowed by the Exchange after the closure of the supplementary issue to the public and confirmation by the stockbrokers that there were no unresolved issues arising from the supplementary issue.

Over-the-Counter Bond Market

A turnover of **560.95mn** units worth **N574,001.6mn** in **3,180** deals was recorded this week, in contrast to a total of **328.45mn** units valued at **N334,352.44mn** exchanged in **1,927** deals during the week ended Thursday, June 25, 2009. The most active bond (measured by turnover volume) was the **4th FGN Bond 2010 Series 14** with a

traded volume of **55.8mn** units valued at **N56,059.4mn** in **322** deals. This was followed by the **5th FGN Bond 2013 Series 4** with a traded volume of **54.7mn** units valued at **N54,840.9mn** in **231** deals. **Thirty (30)** of the available **forty-two (42)** FGN Bonds were traded during the week, compared with twenty-seven (27) in the preceding week.

Outlook and Analysis Money & Fixed Income Markets

We expect a total of **N15bn** to mature and be repaid into the market in the coming week. As we do not expect any major inflow into the market next week, liquidity tightness should dominate the market and consequently inter-bank rates are expected to inch up during the week.

At the foreign exchange market we expect further convergence of the parallel market rate with the official market rate as a result of the recent policy measures of the CBN in the forex market.

Equities Market

We expect the profit taking activities that emerged in the market on the last trading day to continue in the early part of next week. We reiterate that there are select opportunities in some stocks that have good fundamentals and that are marginally affected by the banks' exposure in the capital market and oil & gas.

We advise investors to take a medium to long term position in the following stocks that have good fundamentals and that have prospects for growth in the medium to long term.

Recommended Stocks

Stocks	Current Price	Current PE Ratio	Projected Price
Diamond Bank	8.85	6.71	12.59
First Bank	22.00	12.55	25.00
GT Bank	15.24	8.89	18.00
Skye Bank	7.49	4.59	12.00
UBA	13.98	7.12	19.00
Nigerian Breweries	51.50	15.15	60.00
UACN	40.28	7.48	44.08
Nestle	185	14.43	201.51
Mutual Benefit	1.20	6.43	3.50
Law Union	1.41	21.87	2.50
UPDC	19.63	6.11	26.00

Company Interim and Full year Results

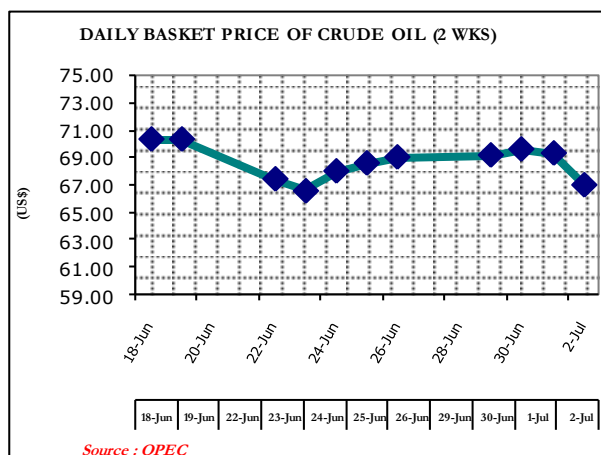
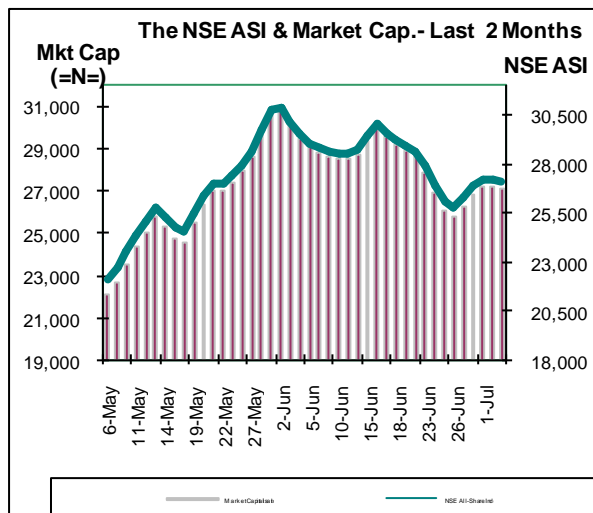
Company	Period Ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
ABC Transport	F/Y Dec.08	3,956	23.6	167.12	18.31
African Petrol	F/Y Dec.08	162,595	58.63	5,103	(10.9)
Ecobank	F/Y Dec.08	55,200	68.8	2,100	(71.6)
Chevron	F/Y Dec.08	48,687	(33.0)	(225.43)	(111.5)
Regency Alliance	F/Y Dec.08	1,705	40.9	312.66	31.62
Staco	F/Y Dec.08	4,375	55.47	542.42	(28.44)
ABC Transport	3 mths Mar. 09	977.6	8.84	53.72	(14.66)
TransExpress	3 mths Mar. 09	139.33	27.09	14.76	9.98
Sovereign Trust	3 mths Mar. 09	1,558	17.05	332.06	23.55

Dividend and Bonus Announcements

Company	Interim/ Full Yr.	DPS	Bonus	Closure Date	Payment Date
African Petrol	F	5.20	-	29-Jun-09	10-Aug-09
May & Baker	F	0.40	-	16-Jul-09	10-Aug-09
University Press	F	0.40	-	07-Sep-09	24-Sep-09
Sovereign Trust	F	0.03	-	16-Jul-09	07-Sep-09
Staco	F	0.02	1 for 10	20-Jul-09	17-Aug-09

Foreign Stock Market Indices (June 25- July 02, 2009)	YTD % Change	Weekly % Change
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North/Latin American		
DJIA (U.S.A.)	(5.65)	(2.26)
S & P 500 Index (U.S.A.)	(0.76)	(2.59)
NASDAQ (U.S.A.)	13.92	(1.80)
Bovespa Index (Brazil)	39.91	(0.95)
Europe		
SMI (Switzerland)	(3.24)	(0.11)
FTSE 100 Index (UK)	(4.51)	(0.43)
CAC 40 Index (French)	(3.16)	(1.48)
DAX Index (Germany)	(1.91)	(1.71)
SMSI Index (Spain)	2.72	(0.12)
Asia		
NSE All-Share Index (Nigeria)	(13.39)	4.30
JSE All-Share Index (S/A)	3.14	0.13
GSE All-Share Index (Ghana)	N/A	N/A
Cairo SE Gen (Egypt)	4.87	10.30
Other		
NIKKEI 225 Index (Japan)	11.47	0.82
BSE 30 Index (India)	51.94	2.18
Hang Seng Index (Hong Kong)	26.35	(0.53)



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