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6th- 8th Floor, 1/5 Odunlami Street
P.M.B 12913 Lagos, Nigeria
Phone: 234-01-2640160-9
Fax: 234-01-2702890

FSDH Equities Market Indicators

	Value	NGN	USD	NGN	USD
	This Week	1 week % Δ		1 Year % Δ	
NSE ASI	22,060.36	1.85	1.23	(18.62)	(22.29)
Mkt. Cap.(Nbn)	5,284.809	1.85	1.23	(12.39)	(12.39)
FSDH 20	212.05	1.77	1.14	(9.43)	(13.090)
FSDH 40	234.82	2.65	2.03	(8.46)	(12.12)
FSDH Banking	251.75	2.68	2.06	(22.00)	(25.66)
FSDH Ethical	75.51	3.14	2.52	18.56	14.89
FSDH Ins.	106.23	(2.47)	(3.09)	(57.45)	(61.11)
FSDH Mfg. & Allied	240.22	2.51	1.89	42.60	38.93
FSDH Pet. Mkt	267.60	3.77	3.14	(58.19)	(61.85)

	This Week	1 Week % Δ
Volume Traded (m)	2,189.631	85.14
Value Traded (N'm)	12,768.785	92.77
Deals	34,511	42.95

Coral Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	2.22	0.56
Coral Ethical Fund	0.20	(0.04)
Coral Income Fund	0.50	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	6.0000	6.0000	9.7500
NIBOR 7 days	6.1250	7.0417	8.8250
NIBOR 30 days	12.0417	13.2500	14.3750
NIBOR 90 days	14.4167	15.7917	15.5417

Economic Review

Global Economy in 2010 Offers Growth Prospects

The view of a better global economic outlook for 2010 expressed by various international organisations has been buttressed by the International Monetary Fund (IMF) in a news conference in Washington. According to the IMF Managing Director, Strauss-Kahn, the global economy is recovering significantly faster than previously expected, but growth in most advanced economies is still dependent on government stimulus packages. He added that while emerging market economies especially in Asia were leading the recovery, most advanced economies were still sluggish, with private demand weak and unemployment continuing to rise. The IMF Boss however warned that the global economy is not out of the woods until the private sector has recovered.

Strauss-Kahn said he expected to see countries around the world recovering at varying speeds in the various regions. He urged governments not to relax stimulus measures too early in the mistaken belief that a strong recovery had taken hold, and suggested that they could shift stimulus packages towards employment-creating projects. He believes that year 2010 will be a year of transformation to complete the reshaping of the global financial and regulatory system. He outlined four priorities areas for the IMF in 2010. The areas he outlined are: a sustainable recovery of output and employment; provision of required financing packages to help member countries keep recovery programs on track; work to modernize the financial sector regulation and put in place structures to identify and tackle the hidden risks to country economies; and to continue to improve its governance structure.

In another development, a Research Note released by the IMF focusing on Commodities Outlook for 2010 notes that commodity prices are expected to increase further in 2010 as world economic activities expand after the unprecedented global crisis. It added that the effect of the recent global crisis have been to reduce prices somewhat below their 2008 peaks, but demand is expected to continue rising at a solid pace as industrialization continues in emerging and developing economies. The report states that the sharp declines in prices at the outset of 2009 over the previous year seemed to predict the usual gloom for commodity markets during and after a global downturn. However, prices rebounded relatively faster and staged a strong rally from Q2 2009, despite generally high inventories after the weakening of demand in the global recession of 2008-2009. The report observed that the IMF's commodity price index rose by 40% in the 8 months since global industrial production reached a trough in February 2009. In contrast after earlier downturns, it rose by only 5% on average over the 8 months after a trough.

Looking ahead into 2010, the report states that prices of many commodities are likely to increase further. Generally, the demand side should be the main source of upward pressure; with inventories remaining above average for many commodities and substantial spare capacity in many commodity sectors, upward pressure is likely to remain moderate for some time, unless stronger-than-expected global growth or other surprises lead to a rapid drawdown of stock buffers. It concludes that commodity price prospects also depend broadly on global macroeconomic conditions, including price developments for internationally traded goods and services.

FSDH Research commends the efforts of the IMF thus far in engaging policy debate and promoting shared communications in order to get the world's economy out of the wood. Whilst we note the marked improvement in the performance of the Nigerian economy as evinced by the positive Gross Domestic Product (GDP) growth rate despite the harsh macroeconomic environment, we reiterate that we can achieve a higher growth rate if there is a deliberate attempt by government to speed up the rate of infrastructure build-up in the economy. The expected increase in the global commodity prices in 2010 presents another good opportunity for Nigeria to access strong revenue to develop other important sectors of the economy and to improve on the state of infrastructure in order to improve the economy's competitiveness both locally and internationally.

Key Economic Indicators	%
Inflation Rate (YoY) November 2009	12.40
Inflation Rate (12 mths Ave.) November 2009	12.60
Foreign Reserves (US\$bn) January 12, 2010	43.36
GDP Growth Rate September, 2009	7.07

FGN Securities Auction Results

Tenor (Days)	91 –days	182-day	364-day	
Date	14-Jan-10	14-Jan-10	14-Jan-10	-
Offer(₦'b)	18.5856	45.4032	45.8454	-
Subscription(₦'b)	38.5147	82.2584	98.0510	-
Allotment(₦'b)	18.5856	45.4032	45.8454	-
Repaid	15.0000	-	30.0000	-
Stop Rate	3.9998	5.249	5.350	-

Secondary Market

	-	-	-	-	-
Tenor (days)	-	-	-	-	-
Withdrawal(₦'b)	-	-	-	-	-
Injection (₦'b)	-	-	-	-	-
Stop Rate (%)	-	-	-	-	-

Exchange Rate (NGN/USD)

	This Week	1 Wk Ago	12 Mths Ago
Official	148.83	147.91	143.57
Banks	151.20	149.85	145.80
Parallel	152.30	152.40	160.00

Top Gainers & Losers % Terms

Gainers	Jan 15 (N)	% Δ	Losers	Jan 15 (N)	% Δ
Inter. Bank	2.34	23.16	UNIC Insure	0.83	(20.95)
May & Baker	5.14	20.94	Afromedia	0.64	(20.00)
Bank PHB	1.98	20.00	Goldlink	0.70	(19.50)
ABC Trans.	0.84	18.31	Union Homes	0.87	(13.00)
Livestock	0.74	15.63	Royal Exch.	0.55	(12.70)

5 Most Actively Traded Stocks

Company	Volume (mn)
Finbank	268.876
National Sports Lottery	200.004
First Bank	163.560
Zenith Bank	142.111
Multiverse Resources	82.254

Money & Fixed Income Markets

The money market was relatively liquid during the week as a result of a total of about N158bn that hit the system from the Federation Account Allocation Committee (FAAC) disbursement for the month of January 2010. In addition, a total of about N22bn also hit the system from the Excess Crude Account during the week. Consequently, inter-bank rates dropped to end the week.

Available data showed that the **7-day NIBOR** closed the week at **6.13%**, a **91** basis point decrease from the previous week's figure of **7.04%**. While the **90-day NIBOR** closed the week at **14.42%**, a **137** basis point decrease from the previous week's figure of **15.79%**.

At the **91-day Treasury Bill (TB)** auction, a total of **N18.59bn** worth of securities was offered and sold. The bill was **207.23%** subscribed as **N38.51bn** worth of bid was received. The bill was issued at a discount rate of **3.999%**. A total of N15bn worth of matured bills was repaid into the system, resulting in a net outflow of **N3.59bn** from this segment of the market.

At the **182-day TB** auction, a total of **N45.40bn** worth of securities was offered and sold, while it was **181.17%** subscribed as **N82.26bn** worth of bid was received. The bill was issued at a discount rate of **5.249%**.

At the **364-day Treasury Bill (TB)** auction, a total of **N45.85bn** worth of securities was offered and sold. The bill was **213.87%** subscribed as **N98.05bn** worth of bid was received. The bill was issued at a discount rate of **5.35%**. A total of N30bn worth of matured bills was repaid into the system, resulting in a net outflow of **N15.85bn** from this segment of the market.

In all there was a net total outflow of **N64.83bn** from the primary segment of the government securities market.

There was no activity in secondary segment of the government securities market during the week.

At the foreign exchange auction held on Monday, January 11, 2010, the CBN offered **US\$150mn**, compared to US\$200bn it offered in the previous week, while it sold a total of **US\$150mn**, compared to a total of US\$200mn it sold in the previous week. On Wednesday, January 13, 2010, the CBN offered **US\$250mn**, compared to US\$100bn it offered in the previous week, while it sold a total of **US\$333.51mn**, compared to a total of US\$100mn it sold in the previous week. In all, this week a total of **US\$400mn** was offered, compared to US\$300mn in the previous week, while the CBN sold **US\$483.51mn**, compared to US\$300mn in the previous week.

The value of the Naira appreciated at the parallel market, while it depreciated at the inter-bank and official markets segments of the foreign exchange market during the week. At the parallel market the value of the Naira appreciated by **10kobo** to close at **N152.30/US\$1**, compared to the previous week's figure of N152.40/US\$1. At the inter-bank market, the value of the Naira depreciated by **135kobo** to close at **N151.20/US\$1**, compared to the previous week's figure of N149.85/US\$1. Also, at the official market, the value of the Naira depreciated by **92kobo** to close at **N148.83/US\$1**, compared to the previous week's figure of N147.91/US\$1.

Equities Market

As expected, there was profit taking by speculators towards mid-week. However, the market bounced back on the last trading session of the week to end on a positive note. The NSE ASI closed the week at **22,060.36** points, representing an appreciation of **1.85%**, compared with an appreciation of 3.99% recorded last week. The appreciation in the index was as a result of the gains recorded in the **Banking, Manufacturing & Allied** and **Petroleum Marketing Indices**. Also, the market capitalization appreciated to close the week at **N5,284.81bn** (approximately

US\$35.51bn), an appreciation of 1.85%, compared to an appreciation of 3.99% last week.

All FSDH Indices recorded gains to end the week except the **FSDH Insurance Index** which recorded a loss to end the week. The **FSDH Ethical Index** appreciated by 3.14% to close at 75.51 points, **FSDH 40 NEVI** appreciated by 2.65% to close at 234.82 points and the **FSDH 20 NEGI** appreciated by 1.77% to close at 212.05 points.

The **FSDH Petroleum Marketing Index** recorded the highest gain amongst the FSDH Sectoral Indices during the week. The Index appreciated by 3.77% to close at 267.60 points, compared to the appreciation of 2.50% recorded in the previous week. The appreciation in the index was as a result of gains recorded in the share prices of **Conoil** (Up 10.21% to N33.57), **African Petroleum** (Up 7.51% to N37.10) and **Total** (Up 0.67% to N150), while other stocks in the Index closed the week unchanged.

The **FSDH Banking Index** appreciated by 2.68% to close the week at 251.75 points, compared to the previous week's appreciation of 6.07%. The appreciation in the index was due to gains recorded in the share prices of **Intercontinental Bank** (Up 23.16% to N2.43), **Bank PHB** (Up 20% to N1.98), **Oceanic Bank** (Up 15.02% to N2.45), **Zenith Bank** (Up 7.70% to N15.80), **GT Bank** (Up 4.87% to N16.79), **Skye Bank** (Up 3.96% to N5.78), **Stanbic IBTC** (Up 2.01% to N7.60), **Diamond Bank** (Up 1.22% to N7.49) and **FCMB** (Up marginally 0.67% to N7.55); despite depreciation in the share prices of **AfriBank** (Down 9.72% to N2.60), **Access Bank** (Down 3.08% to N7.86), **First Bank** (Down 3.38% to N14.30), **UBA** (Down 0.31% to N10.99) and **Union Bank** (Down 0.31% to N6.38).

FSDH Manufacturing & Allied Index appreciated by 2.51% to close the week at 240.22 points, compared with the previous week's appreciation of 4.84%. The appreciation in the index was due to gains recorded in the share prices of **Unilever** (Up 11.64% to N23.50), **Julius Berger** (Up 7.75% to N29.60), **Benue Cement** (Up 7.53% to N50), **UACN** (Up 6.26% to N39.38), **Nestle** (Up 5.22% to N252), **NBC** (Up 4.99% to N24.82), **RT Briscoe** (Up 4.85% to N6.27), **Dangote Flour** (Up 4.38% to N13.11) and **Nigerian Breweries** (Up 1.75% to N58); despite depreciation in the share prices of **Ashakacem** (Down 6.77% to N12.40), **NAHCO** (Down 4.49% to N7.45), **Flour Mills** (Down 3.08% to N37.80) and **PZ Cussons** (Down marginally 0.52% to N24.97).

FSDH Insurance Index depreciated by 2.47% to close the week at 106.23 points, compared with the previous week's depreciation of 0.58%. The depreciation in the index was due to the losses recorded in the share prices of **Unic Insurance** (20.95% to N0.83), **Goldlink** (Down 19.5% to N0.70), **Intercontinental WAPIC** (Down 9.09% to N1), **International Energy** (Down 7.81% to N0.59), **Continental Reinsurance** (Down 4.55% to N1.05), **Standard Alliance** (Down 3.03% to N0.64), **LASACO** (Down 1.79% to N0.55), **N.E.M Insurance** (Down 1.82% to N0.54) and **Custodian & Allied** (Down 1.39% to N2.84). However, there were appreciation in the share prices of **AICO Insurance** (Up 12.05% to N0.93) and **Law Union & Rock** (Up 6% to N0.53).

Other top gainers for the week were **May & Baker** (Up 20.94% to N5.52), **ABC Transport** (Up 18.31% to N0.84), **Livestock** (Up 15.63% to N0.74), **Academy Press** (Up 15.46% to N6.87) and **Eterna Oil & Gas** (Up 14.98% to N6.60); while other top losers for the week were **Afromedia** (Down 20% to N0.64), **Union Homes** (Down 13% to N0.87), **Royal Exchange** (Down 12.70% to N0.55), **Daar Comms** (Down 10.34% to N0.52) and **INCAR** (Down 9.47% to N3.06).

Overall, **fifty-two (52)** stocks recorded gains in their share prices; **forty-eight (48)** stocks recorded losses, while **one hundred and fifteen (115)** stocks closed the week unchanged.

Over-the-Counter Bond Market

A turnover of 346.63mn units worth N399,488.01mn in 4,516 deals was recorded this week, in contrast to a total of 86.7mn units valued at N101,105.6mn exchanged in 1164 deals during the week ended Thursday, January 7, 2010. The most active bond (measured by turnover volume) was the **6th FGN Bond 2012 Series 1** with a traded volume of 57mn units valued at N63,017.9mn in 569 deals. This was followed by the **4th FGN Bond 2014 Series 3** with a traded volume of 50.9mn units valued at N60,476.44mn in 1,019 deals. **Twenty-Two (22)** of the available **forty-one (41)** FGN Bonds were traded during the week, compared to seventeen (17) in the preceding week.

Outlook and Analysis Money & Fixed Income Markets

We expect a total of about N30bn worth of maturities from government securities to come into the system in the coming week. We still expect the market to be relatively liquid on account of the recent FAAC allocation that hit the system and the Excess Crude Account fund that hit the system.

In the foreign exchange market, we observe that though there was pressure on the Naira during the week, the CBN increased the amount of Dollar it sold in order to ensure foreign exchange stability.

Equities Market

We expect improved activities in the market in the following week as confidence in the market continues to build up. However, political risk in the country remains a major source of concern for investors. We advise investors to invest in stocks that have good fundamentals and have prospects for growth in 2010. Investors should also invest having a medium and long-term view rather than for speculations. We note that there are select opportunities in the banking, building materials, food & beverages and conglomerates subsectors of the market.

Recommended Stocks

Stocks	Current Price	Current PE Ratio	Projected Price
First Bank	14.30	-	17.50
GT Bank	16.79	16.37	20.00
UBA	10.99	-	15.00
WAPCO	30.00	9.40	50.00
CCNN	13.50	8.02	20.34
UACN	39.38	7.66	49.50
Flour Mills	37.80	10.26	42.00
UPDC	20.50	7.46	27.00
Oando	93.99	9.03	117.00

Company Interim and Full year Results

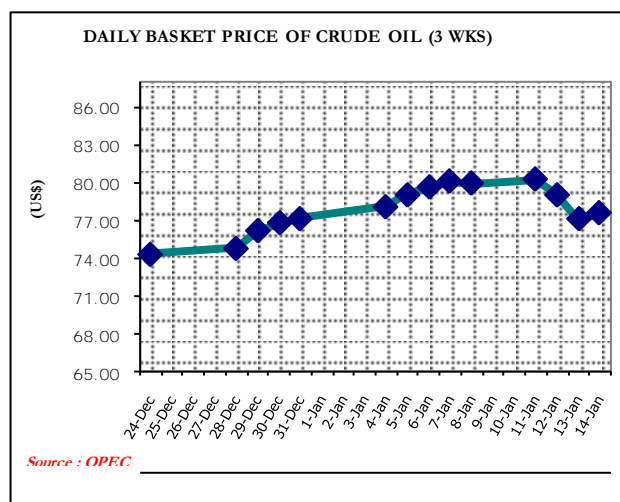
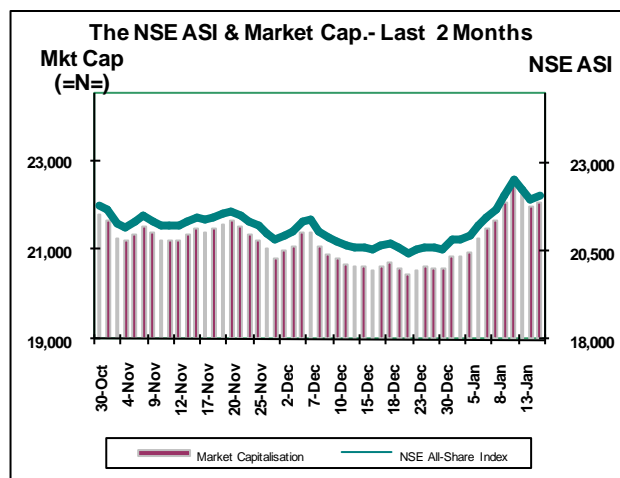
Company	Period Ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
Costain	FY Mar. 2009	9,274	143.09	(615.12)	(274.15)
Fidson	FY Jun. 09	5,019	11.46	429.07	126.66
United Textiles	9Mths Sep. 09	6,544	(25.96)	(956.04)	(44.94)
African Paints	9Mths Sep. 09	34.91	32.24	(32.02)	12.53
Beco Petrol	3Mths Oct. 09	825.94	(17.31)	74.97	69.61

Dividend and Bonus Announcements

Company	Interim/ Full Year	DPS	Bonus	Closure Date	Payment Date
Fidson	Full Year	0.22	-	19-Jan-10	NA
Nigerian Breweries	Interim	1.50	-	27-Jan-10	08-Feb-10

Foreign Stock Market Indices (Jan 08 – Jan.14, 2010)

Index	YTD % Change	Weekly % Change
North/Latin American		
DJIA (U.S.A.)	2.71	0.98
S & P 500 Index (U.S.A.)	2.99	0.59
NASDAQ (U.S.A.)	2.10	0.73
Bovespa Index (Brazil)	1.77	(0.92)
Europe		
SMI (Switzerland)	1.25	1.10
FTSE 100 Index (UK)	9.89	7.63
CAC 40 Index (French)	2.02	(0.22)
DAX Index (Germany)	0.53	(0.51)
SMSI Index (Spain)	0.63	(1.37)
Africa		
NSE All-Share Index (Nigeria)	5.37	2.14
JSE All-Share Index (S/A)	1.72	0.44
GSE All-Share Index (Ghana)	(1.92)	(2.03)
Cairo SE Gen (Egypt)	8.27	2.41
Asia		
NIKKEI 225 Index (Japan)	3.43	2.12
BSE 30 Index (India)	0.69	(0.18)
Hang Seng Index (Hong Kong)	(0.71)	(2.48)



For enquiries please contact us at our offices:

Lagos Office: 1/5 Odunlami Street, P.M.B 12913 Lagos.
(Tel) 234-1-2640160-9 (Fax) 234-1-2702890

Port Harcourt Office: Afribank Building (2nd floor, 5 Trans Amadi Road, Port Harcourt. (Tel) 234-084-463308 (Fax) 234-084-463174

Abuja Office: Orji Uzor Kalu Plaza, Plot 979, 1st Avenue, Off Ahmadu Bello Way, Cadastral Zone AO, Central Business District, Abuja. (Tel) 234-09-6700535

Website: www.fsdhgroup.com, www.fsdhsecurities.com

Email: fsdhsecurities@fsdhgroup.com

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