

NIGERIAN MONEY & CAPITAL MARKETS

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Equity Market Indicators

	Value	NGN		USD	
		1 week % Δ	1 Year % Δ	1 week % Δ	1 Year % Δ
NSE ASI	31,632.5	0.88	0.86	31.33	25.92
Mkt Cap(Nb)	4,029.66	2.23	2.22	68.64	70.17
CTSL 20	301.80	1.15	1.14	26.10	27.63
CTSL 40	308.08	1.81	1.79	34.50	36.04
CTSL Bnk.	358.51	0.86	0.85	65.27	66.81
CTSL Ins.	209.91	(2.3)	(2.4)	(13.3)	(11.8)
CTSL Mfg.	252.32	2.39	2.37	19.18	20.71
CTSL Pet.	287.18	6.43	6.41	(3.83)	(2.30)
Mkt					

	Last Week	1 week % Δ
Volume Traded (m)	932.35	24.03
Value Traded (₦m)	9,483.59	13.72
Deals	30,649	(0.06)

Coral Funds and Selected Mutual Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	28.64	(0.57)
IBTC Nig. Equity Fund	40.85	(1.07)
Discovery Fund	21.53	(3.81)
Coral Ethical Fund*	(32.93)	1.42
Coral Income Fund*	5.13	(0.25)

*The YTD growth has been annualised

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
MRR	14.00	14.00	13.00
NIBOR 7 days	2.5833	13.3333	5.9167
NIBOR 90 days	12.6667	14.1250	12.3750

FSDH CULTURE WHEEL



Review

Weekly News Wrap

CBN Introduces New Monetary Policy Framework

In order to execute its mandate of attaining banking soundness and effective liquidity management in Nigeria, the Central Bank of Nigeria (CBN) has introduced a new framework for monetary policy, which will take effect from December 11, 2006. According to the Governor of CBN, Prof Chukwuma C. Soludo the new framework for monetary policy implementation will use short term interest rate as its "operating target".

The ultimate goal of the new framework is to achieve a stable value of the domestic currency through stability in short-term interest rates around an operating target. The interest rate otherwise called the Monetary Policy Rate (MPR), replaces the Minimum Rediscount Rate (MRR) and serves as an indicative rate for transactions in the inter-bank money market as well as other Deposit Money Banks interest rates.

Prof Soludo said the monetary policy regimes including the present dispensation, have been characterized largely by liquidity glut and the demanding task of mopping it up, high volatility inter-bank interest rates and money market interest rates, unbalanced credit by the banking sector, and crowding out of the private sector by public sector borrowing. The main operating principle guiding the new policy is to control the supply settlement balances of banks and motivate the banking systems to target zero balances at the CBN through active inter-banks trading and transfer of balances at the Bank.

In the new framework, the window operations in its present form will be modified, and will prohibit outright discounting of debit instruments at the CBN. Instead, the CBN discount windows will be accessed by market operators that are in need of liquidity to tidy up their books, while those with surplus liquidity can deposit the funds overnight. The CBN will intervene in the market in a form of a standing lending facility that will ensure orderly market operations or behavior by reducing avoidable interest rate volatility.

The CBN sets the MPR at 10%, using the current inflation rate and the expected outcome of 9% for the fiscal year 2006 as a guide to ensure that interest rates remain positive in real terms. There will be a spread of 600 basis points around the rate that is 300 basis points below and 300 basis points above. This translates to an upper limit of 13% which will be the repurchase rate and lower limit of 7% representing the rate at which the CBN will take deposits from the banks.

Key Economic Indicators	%
Inflation Rate (YoY) Sep	6.30
Inflation Rate (12 months Ave.) Sep	10.00
Foreign Reserves (US\$b) Sept	40.24
GDP Growth Rate June	7.50

CBN Treasury Bill Auction Results

Tenor	91-day	182-day	364-day
Offer(₦b)	10.00	10.00	25.00
Subscription(₦b)	14.427	22.764	42.691
Allotment(₦b)	10.00	10.00	25.00
Stop Rate	5.448	6.15	9.23

OMO	Nov27	Nov 28	Nov 29	Nov 30	Nov 31
Tenor(days)	35	35	35	91	35
Bids(₦b)	-	8.00	-	-	-
Sales(₦b)	-	-	-	-	-
Stop Rate (%)	0.00	4.70	0.00	0.00	0.00

Exchange Rate (NGN/USD)

	Last Week	1 Wk Ago	12 Mths Ago
Official	127.02	127.00	129.00
Banks	128.40	128.30	130.30
Parallel	130.30	131.00	138.00

Top Gainers & Losers % Terms

Gainers	24-Nov(₦)	% Δ	Losers	24-Nov(₦)	% Δ
Transcorp	8.42	27.38	Intercon.	13.81	14.38
Bank PHB	3.20	26.48	RT Briscoe	11.99	13.74
Cutix	2.81	20.60	Tripple Gee	2.15	13.65
Crusader	2.27	20.11	Nampak	3.69	13.58
Avon Crown	1.30	18.18	Costain	1.61	13.44

5 Most Actively Traded Stocks

S/n	Company	Deals	Volume (m)	Value (₦m)
1	Bank PHB	622	214.55	615.07
2	Fidelity	891	87.54	180.36
3	Diamond	324	73.50	411.73
4	Transcorp	1,588	64.72	526.54
5	Access	1,251	61.93	446.90

Money Market

The release of about N248billion statutory allocations from the Federation Account for the month of November caused the market to experience liquidity last week. Consequently, the inter-bank rate, closed the week lower than the preceding weeks. The 7-day NIBOR closed the week at 2.5833% from 13.3333% in the preceding week while the 90-day NIBOR closed the week at 12.6667% from 14.1250% over the same period. At the Primary segment of the market a total of N10billion worth of 91-day Treasury Bill was offered and sold, N14.427billion was subscribed resulting to a subscription level of 144.27%, while N8.898billion was repaid. A total of N10billion worth of N182-day TB was offered and sold, N22.764billion was subscribed resulting to a subscription level of 227.64%, while a total of N5.775billion was repaid. A total of N25.00billion worth of a 1-year TB was offered and sold, N42.691 was subscribed resulting to a subscription level of 170.76% while N8.50billion was repaid. The over subscription level in the market caused the stop rate to drop marginally when compared to the previous week. The stop rate on the 91-day TB dropped marginally from 5.45% in the preceding week to close the week at 5.448%. The stop rate on the 182 day Treasury bill dropped from 6.49% in the preceding week to close at 6.15% while the stop rate on the 1-year TB dropped marginally from 9.25% in the last auction to 9.23%. At the secondary segment of the market there was no sales of non-rediscountable bills in spite of the subscription for N8.00billion worth of 35-day non-rediscountable bills received during the week. However, a total of N9.00billion worth of 35-day non rediscountable bills and N7.00billion worth of 91-day non rediscountable bills were repaid into the system. In the foreign exchange market, the CBN offered \$160million at the foreign exchange market last week the same amount that was on offer in the preceding week. It however increased the amount of foreign exchange sold by 324.82% from \$93.35million in the preceding week to \$396.57million. The value of naira vis-à-vis the US dollar appreciated in one segment of the market while it depreciated in two segments of the market. It gained 70kobo in the Parallel Market to close the week at N130.30/US\$1 from N131.00/US\$1 in the preceding week but lost 2kobo in the official market to close the week at N127.02/US\$1 from N127.00/US\$1 in the preceding week and lost 10kobo in the inter-bank market to close the week at N128.40/US\$1 from N128.30/US\$1 in the preceding week.

Equities Market

The bulls returned back to the market last week after about three consecutive weeks of bearish trend in the market. **The NSE All Share Index** gained 0.88% to close the week at 31,632.46 points up from 31,356.69 points in the preceding week. Similarly the market capitalization closed the week higher at N4,029.66billion from N3,941.64billion in the preceding week. The year-to-date in the NSE All Share Index was 31.33% while the year-to-date in the market capitalisation was 59.69%. On a month-on-month change, the NSE All share Index lost 3.10% of its value to close at 31,632.54 points while the market capitalization lost 2.21% of its value. To close at N3,937.84billion. Most of the gains recorded last week came from the appreciation in the share prices of some of the highly capitalised stocks and appreciation recorded in the Petroleum Marketing sub sector. All the CTSL Indices appreciated except the **CTSL Insurance Index**. **The CTSL Petroleum Marketing Index** recorded the highest appreciation of 6.43% to close the week at 287.18 points up from 269.84 points in the preceding week on the strength of appreciation in the share prices of **Total** (Up 12.76% to N198.45), **Mobil** (Up 9.95% to N187.00), **Chevron oil** (Up 7.48% to N142.95), and **Conoil** (Up 1.02% to N69.20). Gains recorded in the share prices of **Guinness** (Up 7.23% to N96.51), **7-UP** (Up 0.79% to N41.92), **Flourmills** (Up 6.76% to N64.00), **Nigerian Bottling Company** (Up 4.94% to N36.73), **Ashakacem** (10.29% to N51.97), **WAPCO** (Up 11.83% to N52.00), **Glaxosmithkline** (Up 6.06% to N17.50) **UACN** (Up 2.80% to N25.70), and **UACN Properties** (Up 1.49% to N11.57) were responsible for the

gain of 2.39% recorded in the value of **CTSL Manufacturing Index** which closed the week at 252.32 points up from 246.43 points in the preceding week. **The CTSL Banking Index** added a marginal gain of 0.86% to its value to close the week at 358.51 points from 355.44 points in the preceding week as a result of the appreciation in the share prices of **First Bank** (Up 3.21% to N31.48), **GT Bank** (Up 4.33% to N16.38), **IBTC Chartered** (Up 8.15% to N6.37), **Union Bank** (Up 2.12% to N23.08), and **Zenith Bank** (Up 3.62% to N23.50). **CTSL Insurance Index** however lost 2.34% to close the week at 209.91 points down from 214.93 points in the preceding week on the heels of drop in the share prices of **Niger Insurance** (Down 9.89% to N2.37), **Prestige Assurance** (Down 4.23% to N2.49) and **Royal Exchange** (Down 3.56% to N2.71). In a similar development, the **CTSL 20 NEGI** and **CTSL 40 NEMI** gained 1.15% and 1.81% to close at 301.80 points and 308.08 points respectively. Other major gainers during the week include: **Transcorp** (Up 27.38% to N8.42), **Platinumhabib** (Up 26.48% to N3.20), **Cutix** (Up 20.60% to N2.81) **Crusader** (Up 20.11% to N2.27) and **Avon Crowncap** (Up 18.18% to N1.30) while other major losers during the week include: **Tripple Gee** (Down 13.65% to N2.15) **NAMPAK** (Down 13.58% to N3.69), **Costain** (Down 13.44% to N1.61), **Unic Insurance** (Down 12.93% to N1.28) and **United Nigeria Textiles** (Down 10.20% to N220). Meanwhile, a total of 300,000,000 shares of **Nigerian Aviation Handling Company (NAHCO) Plc** were admitted on the Daily Official List (DOL) under the Airlines sub sector following the completion of its privatization by the Bureau of Privatization (BPE). Also a total of 2,243,167,216 shares of **Sovereign Trust Insurance Plc** were admitted on the DOL under the Insurance sub sector by way of Introduction. A total of 442,792,047 shares were added to the shares outstanding of **IBTC-Chartered Bank Plc** shares following a supplementary Issue.

Over-the-Counter Bond Market

A turnover of 43.8million units worth N48.34billion in 585 deals was recorded last week in the Federal Government of Nigeria bonds, in contrast to a total of 39.15million units valued at N42.5billion exchanged in 593 deals during the preceding week. The most active bond was the 3rd FGN Bond 2009 Series 11 with a traded volume of 18.1million units valued at N20.1billion in 257 deals.

Outlook and Analysis

Money Market

The new monetary policy framework introduced by the CBN will help to reduce the interest rate volatility in the money market. In addition, it will increase activity in the inter-bank market especially, trading in the local currency. The CBN is expected to float N10billion each of 91 and 182 day TBs while N10billion each of 91 and

182 day TB will mature. Also about N18billion worth of non-rediscountable bills will mature and be repaid into the system. We expect that the market will be liquid in the coming week but not to the extent of causing a sharp drop in the inter-bank rates. In the foreign exchange market we expect a marginal appreciation in the value of the naira against major international currencies.

Equities Market

We expect that the turn in the market last week will gradually continue as the bearish trend that dominated the market a couple of weeks ago has created ample buy opportunities in the market. We still expect that the on-going Offer for Sales by **Dangote Sugar Refinery Plc** and the proposed Initial Public Offerings of **Transcorp**, will take a toll on the market. However, we recommend that investors should take positions in stocks that have good fundamentals and prospects for growth in the long run. We therefore recommend the following stocks which have potentials for growth in the medium and long term.

Recommended Stocks

S/N	Stocks	Current Price	Current PE Ratio	Projected Price
1	Okomu Oil	34.00	17.95	46.00
2	R.T. Briscoe	11.99	10.92	15.30
3	Diamond Bank	5.97	10.48	11.50
4	First Bank	31.48	17.88	40.00
5	FCMB	4.00	10.96	6.75
6	GTB	16.38	12.52	24.50
7	Oceanic	14.20	13.82	18.00
8	UBA	23.10	22.02	30.50
9	Zenith	23.50	16.39	29.00
10	Guinness	96.51	17.96	120.00
11	Ashakacem	51.97	17.28	65.00
12	7-Up	41.92	17.90	60.00
13	Flourmills	64.00	19.64	85.00
14	Glaxo Smith	17.50	15.07	21.00
15	May & Baker	8.92	18.19	10.90
16	Crusader	2.27	6.42	5.00
17	Conoil	69.20	15.68	101.00
18	Oando	67.50	14.52	98.00
19	UAC- Property	11.57	13.54	15.00

Company Interim and Full Year Results

Company	Period ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
NAHCO	FY Dec 05	3,100	34.8	317.7	(326)
Mobil	9 mths Sep 06	58,686	59.35	1,200	(7.76)
FCMB	6 mths Oct 06	10,875	163.3	2,230	41.68
Blackwood	6 mths Jun 06	620.95	(14.1)	(22.32)	
Bank PHB	3 mths Sep 06	5,300	152.4	1,100	139.1

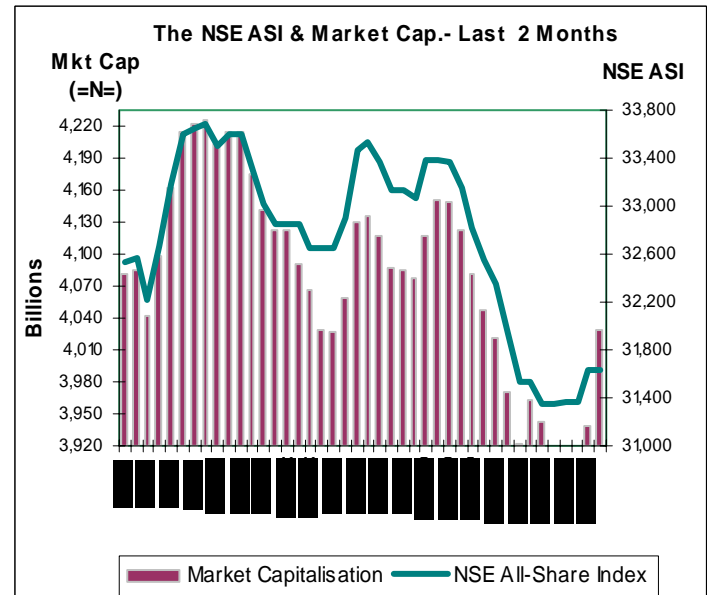
Company Dividend and Bonus Announcements

Company	I/F *	DPS(N)	Bonus	Closure date	Payment Date
NAHCO	F	0.30	-	29-Nov-06	4-Dec-06

Primary Market Equities

Company	No of shares	Offer price (N)	Opening Date	Closing date
Dangote Sugar	3,000,000,000	18.00	15-Nov-06	22-Dec-06

	YTD Change %	Weekly Change %
North/Latin America		
DJIA (U.S.A.)	13.78	(0.70)
S & P 500 Index (U.S.A.)	11.89	(0.30)
NASDAQ (U.S.A.)	9.43	(1.91)
Bovespa Index (Brazil)	23.53	(1.03)
Europe		
SMI (Switzerland)	11.03	(2.56)
FTSE 100 Index (UK)	7.17	(1.64)
CAC 40 Index (French)	11.43	(2.51)
DAX Index (Germany)	15.40	(2.66)
MSI Index (Spain)	29.95	(2.60)
Africa		
NSE All-Share Index (Nigeria)	31.33	0.88
JSE All-Share Index (S/A)	33.01	0.33
GSE All-Share Index (Ghana)	4.70	0.38
Cairo SE Gen (Egypt)	1.84	(0.20)
Asia/Pacific		
NIKKEI 225 Index (Japan)	1.31	3.73
BSE 30 Index (India)	47.32	1.03
Hang Seng Index (Hong Kong)	25.64	(2.96)



Symbols for Tables

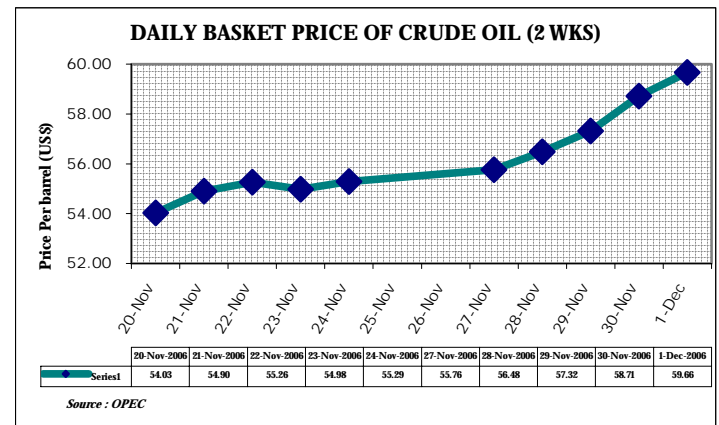
*NIBOR – Nigerian Inter Bank Offered Rates

*I/F- Interim/Final, *C/D-Closure Date

*N/A" means Not Available; "- " means Not Applicable

The following reports are available on CTSL website:

- ✓ Clients Account Statement
- ✓ Clients Portfolio Report
- ✓ Clients Portfolio Value
- ✓ Share Certificates Verification Status
- ✓ Monthly CSCS Statement for October
- ✓ CGF Clients' Online Account Statements



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