

FSDH

First Securities Discount House Limited

CTSL

Counters Trust Securities Limited

NIGERIAN MONEY & CAPITAL MARKETS



Monday, November 06, 2006

Equity Market indicators

	Value	NGN	USD	NGN	USD
		1 week % Δ		1 Year % Δ	
NSE ASI	33,526.5	2.68	2.68	28.27	30.20
Mkt Cap(Nb)	4,135.93	1.73	1.71	58.78	60.71
CTSL 20	329.59	(0.6)	(0.6)	22.49	24.41
CTSL 40	332.58	(0.9)	(0.9)	29.82	31.75
CTSL Bnk.	383.12	(1.2)	(1.2)	69.87	71.79
CTSL Ins.	210.40	(10)	(10)	(25.74)	(23.8)
CTSL Mfg.	279.92	(0.6)	(0.6)	11.49	13.41
CTSL Pet.	281.77	(0.2)	(0.2)	(14.70)	(12.8)
Mkt					

	Last Week	1 week % Δ
Volume Traded (m)	1,290.84	126.94
Value Traded (N/m)	17,435.93	126.77
Deals	32,691	(56.99)

Coral Funds and Selected Mutual Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	39.15	(1.18)
IBTC Nig. Equity Fund	54.68	(0.37)
Discovery Fund	32.81	0.88
Coral Ethical Fund*	22.98	(0.81)
Coral Income Fund*	14.13	0.46

*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	2.1563	2.4688	8.8333
NIBOR 90 days	12.5938	12.5313	12.2500

Review

Weekly News Wrap

Nigerians Assured of Economic Targets

The Minister of Finance, MRS. NENADI E. USMAN has reassured Nigerians that projections and targets in the proposed budget are all within reasonable limits and achievable. According to a report made available by the Federal Ministry of Finance, the Minister said the 9% target for inflation is realistic because of the measures provided to control the level of liquidity within the system. For instance, N35 billion has been provided for in the proposed budget for the Central Bank of Nigeria (CBN) to manage liquidity control in 2007. This fund will be spent on short-term instruments like treasury bills with tenors ranging between 90 and 365 days. In addition, the Federal Government is already working on better coordination of monetary and fiscal policy management such that it will now be easier to predict where and when liquidity will come into the system. These measures will enable the CBN to be more proactive in its interventions. On the \$40 per barrel benchmark price of crude oil, she said the Federal Government has been guided by the most reliable benchmarks in the world, all of which forecast that at worst; crude oil prices will remain above \$50 per barrel next year. According to her, the federal government has no intention to print money to finance the N500billion deficit in the budget proposal.

OPEC Cuts Oil Production

At a Consultative Meeting of the Conference of the Organization of the Petroleum Exporting Countries (OPEC) convened in Doha, Qatar, on 19th and 20th October 2006, the conference reflected on the oil market situation and decided to reduce production by an amount of 1.2 mb/d, from current production of about 27.5 mb/d, to 26.3 mb/d, effective 1st November 2006. According to OPEC, the decision is to ensure market stability. The Heads of Delegation noted with concern, that crude oil supplies are well in excess of actual demand, as the above-average level of crude stocks in Organisation for Economic Co-operative and Development (OECD) countries demonstrates, and that the over-supply situation and imbalance in supply/demand fundamentals have destabilized the market. Under the interim arrangement, Nigeria is required to cut production by 100,000 b/d. This interim arrangement will be reviewed at the Extraordinary Meeting of the Conference scheduled to convene in Abuja, Nigeria on 14th December, 2006

Key Economic Indicators

Key Economic Indicators	%
Inflation Rate (YoY) Aug.	3.70
Inflation Rate (12 months Ave.) Aug	11.40
Foreign Reserves (US\$b) July	38.00
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)	16.49	15.87	70.16
Allotment(₦b)	10.00	10.00	25.00
Stop Rate	5.20	6.75	9.25

OMO	Oct 30	Oct 31	Nov 01	Nov 02	Nov 03
Tenor(days)	91	91	91	91	35
Bids(₦b)	1.00	5.00	0.50	1.50	17.00
Sales(₦b)	1.00	3.50	-	1.50	13.00
Stop Rate (%)	6.25	6.25	-	5.70	4.25

Exchange Rate (NGN/USD)

	Last Week	1 Wk Ago	12 Mths Ago
Official	127.04	127.02	129.53
Banks	128.60	128.55	131.00
Parallel	130.80	130.90	138.00

Top Gainers & Losers % Terms

Gainers	03-Nov(₦)	% Δ	Losers	03-Nov(₦)	% Δ
Union Dicon	11.55	27.34	Unilever	12.26	18.32
R.T Briscoe	12.67	27.21	Tripple Gee	1.56	17.89
UTC	1.32	25.71	Niger Insurance	2.35	17.83
Neimeth	4.30	22.51	REAN	2.38	16.20
ETI	227.00	18.85	Costain (WA)	2.22	14.94

5 Most Actively Traded Stocks

S/n	Company	Deals	Volume (m)	Value (N'm)
1	Afribank	1,038	542.58	6,245.10
2	Intercontinental	329	127.42	2,055.27
3	Fidelity	945	81.78	171.53
4	Access Bank	1,456	76.96	549.59
5	Wema Bank	638	42.58	120.38

Money Market

Extreme liquidity continued in the market last week in spite of the total net outflow of N17.72billion from the primary and secondary segments of the market. At the Primary segment of the market, a total of N10billion worth of 91-day Treasury bill was offered and sold, N16.50billion was subscribed resulting in a subscription level of 165% while N10billion was repaid. A total of N10billion worth of 182-day NTB was offered and sold, N15.87 billion was subscribed resulting in a subscription level of 158.7%, while a total of N9.78billion was repaid. The Central Bank of Nigeria (CBN) also offered and sold N25billion worth of 364-day NTB, the total subscription received was N70.162billion resulting in a subscription level of 280.65%. The over subscription received for all the various tenors in the primary market caused stop rates to drop. The stop rate on the 91-day NTB declined from 5.75% in the preceding week to close the week at 5.20%. In the same vein, the stop rate on the 182-day Treasury bill dropped from 7.00% to close the week at 6.75% while the stop rate on the 364-day NTB dropped from 10.00% in the last auction to close the week at 9.25%. At the secondary segment of the market, a total of N8billion worth of 91-day non-rediscoutable bills was subscribed; N6billion was sold while a total of N13.50billion was repaid. The amount sold was 75% of the total subscription. On the 35-day non-rediscoutable bills a total of N34.2billion was subscribed while N13billion was sold and repaid. The amount sold was 38.01% of the total amount subscribed. In a similar development, the stop rate on the 91-day non-rediscoutable bills recorded a drop from 6.25% in the preceding week to 5.70% while the stop rate on the 35-day non-rediscoutable bill recorded a drop from 4.80% in the preceding week to 4.25%. In the inter-bank market, 7-day NIBOR recorded a drop from 2.47% to 1.97% while the 90-day NIBOR appreciated marginally from 12.53% to 12.59%. In the foreign exchange market, the CBN increased the amount of foreign exchange sold by 169.81% to \$475.48million over the \$280million it offered. This was an effort to douse the excess demand for foreign exchange in the market. The value of naira vis-à-vis the US dollar appreciated in only one segment of the market while it depreciated in the other two segments of the market. It gained 10kobo at the parallel market to close the week at N130.80/US\$ from N130.90/US\$1. It lost 2kobo in the official market to close at N127.04/US\$1 from N127.02/US\$1 and lost 5kobo in the inter-bank market to close the week at N128.60/US\$1 from N128.55/US\$1 in the preceding week

Equities Market

The equity market appreciated marginally in the month of October as **The NSE All Share Index** added 0.27% to its value to close the month at 32,643.68 points from 32,554.60 points in the preceding month. In a similar development, the market ended the just concluded week on a bullish note as **The NSE All Share Index** appreciated by 2.68%. The gain recorded came from appreciation in the share prices of **Ecobank Transnational Incorporated (ETI)**, **R.T Briscoe**, **Presco**, **Nestle**, **CAP** and **Access Bank Plc**. The appreciation was attributable mainly to the impressive quarterly results of some of the companies while the continued appreciation in the share price of **Access Bank** was as a result of the share capital restructuring exercise. The appreciation in the **NSE All Share Index** brings the year-to-date (YTD) gain of the NSE ASI to 39.20%. All the **CTSL Indices** however lost values during the week. **The CTSL 20 NEGI** and **CTSL 40 NEMI** lost 0.56% and 0.96% respectively. **The CTSL Banking Index** lost 1.21% of its value to close at 383.12 points owing to decline in the share prices of **First Bank** (Down 2.55% to N35.10), **Oceanic Bank** (Down 5.11% to N14.10), **United Bank for Africa** (Down 3.98% to N26.55), **GT Bank** (Down 2.07% to N17.00), **Wema Bank** (Down 7.24% to N2.69) and **IBTC Chartered** (Down 4.20% to N6.61). Appreciation in the share prices of **Presco** (Up 10.83% to N13.30) and **Nestle** (Up 8.07% o N231) failed to lift the **CTSL Manufacturing and Allied Index** which lost 0.62% to close the week at 279.92 points. The decline in the value of the index came

from decline in the share prices of **Guinness** (Down 0.53% to N103.1), **Nigerian Breweries** (Down 0.67% to N41.25), **WAPCO** (Down 2.25% to N60.51), **Unilever** (Down 18.32% to N12.26), **Nigerian Bottling Company** (Down 5.34% to N44.00), **7-Up** (Down 2.33% to N42.00), **UACN** (Down 0.36% to N27.70) and **UAC Properties** (Down 5.59% to N13.00). **CTSL Petroleum Index** lost marginally by 0.15% to close the week at 281.77 points as a result of decline in the prices of **Oando** (Down 2.75% to N70.01), **Chevron Oil** (Down 1.44% to N150.15), and **Conoil** (Down 0.79% to N63.00). **The Insurance Index** which recorded the highest decline lost 10.16% of its value to close the week at 210.40 points on the heels of decline in the share prices of **Aiico** (Down 13.81% to N1.56%), **Cornerstone** (Down 3.00% to N0.97), **Niger Insurance** (Down 17.83% to N2.35), and **Royal Exchange** (Down 16.20% to N2.38). Other Major gainers during the week include **Union Dicon Salt** (Up 27.34% to N11.56), **UTC Nig** (25.71% to N1.32), **Neimeth** (Up 22.51% to N4.30), **ETI** (18.85% to N227) and **Ekocorp** (Up 18.67% to N0.89) while other major losers during the week include: **Tripple Gee** (Down 17.89% to N1.56), **Costain** (Down 14.94% to N2.22), **First Inland Bank** (Down N12.86% to N3.05), **First Aluminium** (Down N12.16% to N0.65), and **Evans Medical** (Down 12.16% to N4.40). Meanwhile, additional 574,603,428 shares were added to the outstanding shares of **Wema Bank** following the takeover of **National Bank Limited**. In another development, **The Nigerian Stock Exchange** placed a suspension on trading in the shares of **Aviation Development Company Plc (ADC)**, following the Federal Government's suspension of the Operating licence of the airline company.

Outlook and Analysis

Money Market

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. We note that the CBN is fine-tuning the commencement of the Primary Dealership in the money market instruments. In view of the excessive liquidity in the market and pursuant to its objective of maintaining price stability, the CBN may consider raising interest rate on the TBs in order to manage the liquidity in the system. It may also consider other restrictive monetary measures to curb the excess liquidity. In the foreign exchange market, we are optimistic that the naira will appreciate further as we move close to the yuletide period as there will be less demand pressure on the foreign exchange.

Equities Market

We expect that the entire market, as measured by the NSE All Share Index, will perform better in the month of November than it did in the month of October. The lull in the market has thrown up good buy opportunities, especially in

some low priced stocks, which have good fundamentals and have prospect for growth in the medium and long term. We therefore advise investors to take advantage of the buy opportunities and position themselves in the under listed stocks for medium and long term growth.

Recommended Stocks

S/N	Stocks	Current Price	Current PE Ratio	Projected Price
1	Okomu Oil	35.70	18.84	46.00
2	R.T. Briscoe	12.67	16.90	15.30
3	Diamond Bank	6.00	10.53	11.50
4	GTB	17.00	12.99	24.50
5	Oceanic	14.10	13.07	18.00
6	UBA	26.55	25.30	30.50
7	Zenith	24.34	16.97	29.00
8	Ashakacem	55.50	18.45	65.00
9	7-Up	42.00	17.94	60.00
10	Flourmills	64.85	19.90	85.00
11	Glaxo Smith	16.80	15.26	21.00
12	May & Baker	8.99	18.33	10.90
13	Crusader	2.05	5.39	5.00
14	Conoil	63.00	14.28	101.00
15	Oando	70.01	15.25	98.00
16	ETI	227.00	16.02	281.00

Company Dividend and Bonus Announcements

Company	I/F *	DPS(N)	Bonus	Closure date	Payment Date
Total Nig.	I	2.60	-	13-Nov-06	11-Dec-06
Avon	F	0.10	-	24-Nov-06	8-Dec-06
Crown					
Tripple Gee	F	0.03	-	23-Nov-06	N/A

Company Interim and Full Year Results

Company	Period ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
Tripple Gee	FY Mar 06	383.85	(6.5)	20.69	(52.5)
Tripple Gee	6mths Sep 06	275.62	63.02	25.56	847.1
Avon	FY Mar 06	6,155.0	19.44	158.22	53.65
Crown					
Guinea	FY Dec 05	526.18	31.07	30.00	(3.85)
Insurance					
Total Nig.	9mths Sep 06	96,491	4.03	1,844	(23.4)
Cornerstone Ins.	9mths Sep 06	1,983.0	42.05	207.32	(6.11)
ETI	9mths Sep 06	35,876	35.19	6,679.00	39.58
NEM Ins.	9mths Sep 06	623.27	14.67	13.84	(78.3)
Conoil	9mths Sep 06	65,054	36.98	1,978.00	28.44
Japaul Oil	9mths Sep 06	621.20	34.3	98.80	69.5
Trans-Nationwid	9mths Sep 06	209.10	74.8	28.30	87.40
Unilever	9mths Sep 06	16,934	(31.1)	(2,373)	(263)
Unilever	6mths June 06	10,197	(25.3)	(1,832)	(304)
IPWA	6mths June 06	141.60	4.5	(13.30)	27.72
Fidelity	3mths Sep 06	4,609	170.6	854.13	119.9

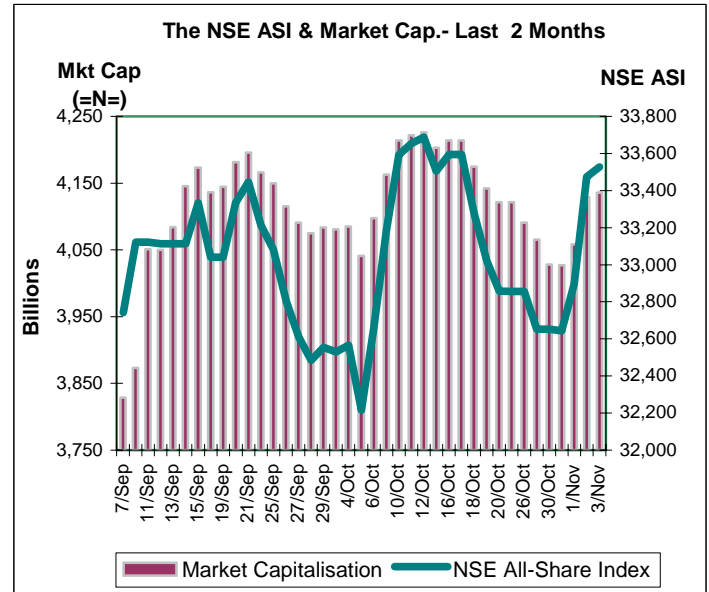
Primary Market Equities

Company	No of shares	Offer price (N)	Opening Date	Closing date
Intercontinental Bank	740,740,741	13.50	28-Sep-06	7-Nov-06
Intercontinental Bank*	1,531,940,918	13.50	28-Sep-06	7-Nov-06
Union Homes*	3,000,000,000	1.80	04-Sep-06	10-Nov-06

*Right Issue

Selected Foreign Stock Market Indices

	YTD Change %	Weekly Change %
North/Latin America		
DJIA (U.S.A.)	11.84	(0.86)
S & P 500 Index (U.S.A.)	9.29	(0.95)
NASDAQ (U.S.A.)	5.69	(0.84)
Bovespa Index (Brazil)	20.86	2.81
Europe		
SMI (Switzerland)	14.70	0.04
FTSE 100 Index (UK)	9.42	(0.21)
CAC 40 Index (French)	13.17	(1.11)
DAX Index (Germany)	15.40	(0.34)
MSI Index (Spain)	30.18	0.67
Africa		
NSE All-Share Index (Nigeria)	39.20	2.68
JSE All-Share Index (S/A)	30.36	2.29
GSE All-Share Index (Ghana)	4.37	0.28
Cairo SE Gen (Egypt)	0.52	1.93
Asia/Pacific		
NIKKEI 225 Index (Japan)	1.48	(1.91)
BSE 30 Index (India)	39.72	1.74
Hang Seng Index (Hong Kong)	26.04	2.47



Symbols for Tables

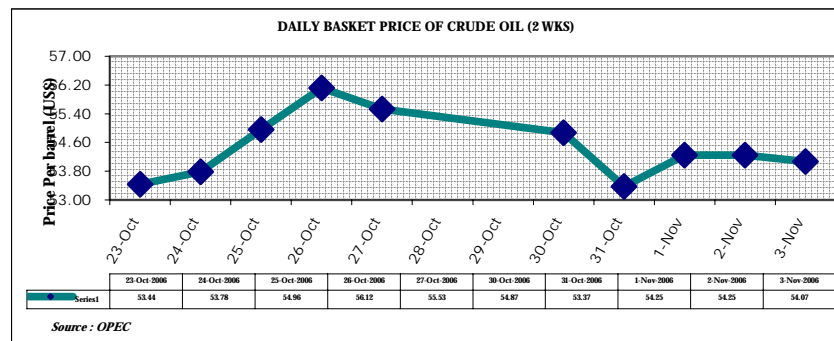
*NIBOR – Nigerian Inter Bank Offered Rates

*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 September
- ✓ CGF Clients' Online Account Statements



For enquiries please contact us at 1/5 Odunlami Street, P.M.B 12913 Lagos. (Website) www.fsdh-ltd.com, www.counterstrust.com (Email) info@counterstrust.com (Tel) 234-1-2640160-9 (Fax) 234-1-2640173-4.

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