

Review

Weekly News Wrap

The International Energy Outlook (IEO) 2006 reference case, reveals that world oil demand would grow from 80million barrels per day in 2003 to projected 98 million barrels per day in 2015 and 118 million barrels per day in 2030. Much of the growth in oil consumption is projected for the nations of non-Organization for Economic Cooperation and Development (OECD) Asia, where strong economic growth is expected. The non-OECD accounts for 43% of the total increase in world oil use over the projected period. To meet the projected increase in world oil demand in the IEO 2006 reference case, total petroleum supply in 2030 will need to increase by 38million barrels per day to 118million barrels per day from the 2003 level of 80million per day. Meanwhile, the Organization of Petroleum Exporting Countries (OPEC) is expected to provide 14.6million barrels per day of the increase. In IEO 2005, OPEC production was projected to increase by 24 million barrels per day between 2002 and 2025. IEO 2006 projects an increase in OPEC supply of only 11.8million barrels per day over the same period. The resulting increase in world oil prices dampens world demand in the medium-term and makes previously uneconomical resources in non-OPEC regions more likely to be produced. This includes biofuels, coal-to-liquids and gas-to-liquid. The oil price increase in the IEO 2006 reference case reflects a reassessment of the willingness to expand production capacity aggressively as envisioned in last year's projection. The estimates of production increases are based on current proved reserves and a country-by-country assessment of ultimately recoverable petroleum. At a 35.9billion barrel production in January, Nigeria ranks 10 out of 20 countries and the rest of the world that were listed to have a total oil reserve of 1292.5billion barrels. This would translate into greater yield for the country as petroleum exports are expected to grow considerably.

Money Markets

Inter bank interest rates remained relatively stable all through Monday to Friday. Specifically, 7-day NIBOR closed at 2.53% from 2.25%, while 90-day NIBOR closed at 11.90% from 12.15%. At the 91-day Treasury bill auction the amount demanded last week inched

August 14, 2006

Equity Market Indicators

As at August 11, 2006	Value	NGN		USD	
		1 week % Change	1 year % Change	1 week % Change	1 year % Change
NSE All-Share Index	31,720.90	9.69	9.71	45.94	50.30
Coral Growth Fund	1,484.34	7.35	7.36	50.94	55.30
Market Cap. (₦'bn)	3,670.09	9.69	9.71	86.49	90.84
CTSL 40 NEMI	316.18	8.68	8.69	60.88	65.24
CTSL 20 NEGI	321.53	8.64	8.65	57.13	61.49
CTSL Banking Index	327.96	10.23	10.24	74.33	78.68
CTSL Ins. Index	240.01	7.22	7.24	17.39	21.75
CTSL Man. Index	290.23	7.00	7.01	66.55	70.91
CTSL Pet. Mktg Index	299.24	7.34	7.35	1.72	6.07
		Last week		Week before last	
Volume Traded (m)		1,294.49		816.15	
Value Traded (₦'m)		21,904.04		12,569.88	

Money Market Indicators

Interest Rates	As at Aug 11	1 week ago	12 months ago
Min. Rediscount Rate (%)	14.00	14.00	13.00
NIBOR 7 days (%)	2.5313	2.2500	9.6667
NIBOR 90 days (%)	11.2563	12.1563	11.5000

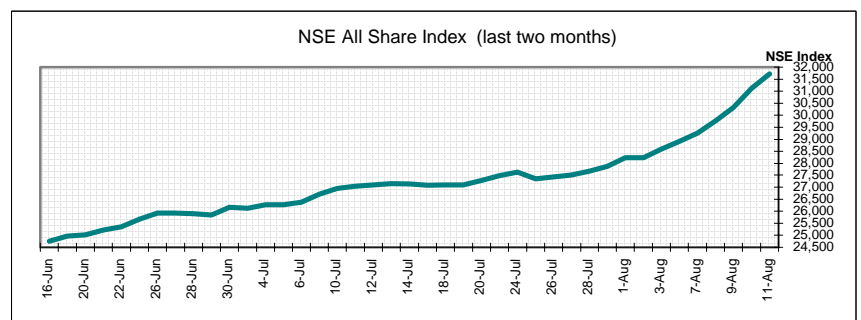
CBN Treasury Bill Auction Results

	91-day T-Bills	182-day T-Bills
Tenor (days)	91	182
Total Offer (₦'bn)	10.00	10.00
Total Subscription (₦'bn)	12.53	24.38
Total Allotment (₦'bn)	10.00	10.00
Stop Rate (%)	6.95	8.80

OMO	July 31	Aug 01	Aug 02	Aug 03	Aug 04
Tenor (days)	364	364	365	182	364
Total Bids (₦'bn)	17,100	14,000	11,582	3,500	14,840
Total Sales (₦'bn)	16,000	10,000	3,082	3,500	14,840
Stop Rate (%)	10.35	11.99	11.50	9.70	11.50

Exchange Rate (NGN/USD)

	As at August 11	1 week ago	12 months ago
Official	127.07	127.09	132.86
Banks	128.45	128.50	137.65
Parallel	131.70	131.80	141.20



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higher by 81.6% from the amount demanded in the previous week, resulting in a decline in the stop rate applied by the apex bank. Participants at the auction demanded ₦12.5billion while the apex bank offered ₦10billion resulting in a subscription level of 125.3%. On a similar note, the demand for 182-day T-bills for the week inched up by 140.36% from the demand witnessed in the previous week. Consequently, the apex bank reviewed the rate downward by 62 basis point to 8.88%. The CBN offered N10billion while participants demanded N24.4billion representing a subscription level of 243.7%. Meanwhile, Bills worth N29.5billion matured and were repaid into the financial system resulting in a net outflow of N24.55billion through the primary and secondary markets. In the secondary segment of the government securities market, the apex bank sold N34billion worth of non-rediscountable bills. Meanwhile we note that there were no maturities at this segment of the market. At the foreign exchange market, total sales for the week increased from \$216.29 million in the previous week to \$267.59 million representing a 23.7% increase, while total amount offered remained same as the previous week. The naira gained 2kobo at the official market as the naira/dollar exchange rate dropped to N127.07. In the inter bank market the naira gained 5kobo as \$1 exchanged for N128.45 at the end of the week. While it gained 10kobo at the parallel market to close the week at N131.70/US\$1.

Equities Market

The bulls continued to dominate the market on the five days trading sessions last week. This gave a boost to the NSE All-share Index as most highly capitalized stocks recorded gains on the floor of the Exchange Monday through Friday. The **NSE All-Share Index (NSE ASI)** gained 9.69% on the strength of gains in the value of several companies. The stock market index closed the week at 31,720.90 setting an all time high on Friday, August 11, 2006. The CTSL Indices recorded similar performances to the NSE ASI. The **CTSL 40 NEMI** and **CTSL 20 NEGI** recorded growth of 8.68% and 8.64% respectively. The **CTSL Banking Index** recorded a gain of 10.23% on the strength of appreciation in the share prices of **FBN** (Up 9.66% to N72.76), **Afribank** (Up 20.29% to N8.30), **IBTC Chartered** (Up 17.05% to N5.15), **Intercontinental** (Up 15.63% to N16.13), **Oceanic Bank** (Up 19.91% to N12.20), **UBA** (Up 16.066% to N18.5) and **UBN** (Up 8.57% to N30.40). The **CTSL Manufacturing Index** gained 7.00% on the heels of appreciation in the share prices of **Guinness** (Up 20.65% to N156.85), **Nigerian Breweries** (Up 5.68% to N48.40), **WAPCO** (Up 12.73% to N53.50), **UAC- Property** (Up 15.34% to N11.13), **Julius Berger** (Up 10.65% to N25.67),

Nestle (Up 9.64% to N216.00), **Cadbury** (Up 9.17% to N59.50) and **Unilever** (Up 8.65% to N16.84). The **CTSL Petroleum Marketing Index** gained 7.34% as **Oando** (Up 19.68% to N73.84), **Total** (Up 5.91% to N206.00), **Mobil** (Up 8.08% to N186.00), **Conoil** (Up 8.36% to N74.5) and **Texaco** (Up 3.98% to N107.10) all recorded gains in their share prices. In the same vein, the **CTSL Insurance Index** gained 7.22% on the rise in the share prices of **REAN** (Up 21.46% to N3.17), **Cornerstone** (5.66% to N1.12) and **Niger Insurance** (Up 10.17% to N2.60). Other major gainers for the week were **CCNN** (Up 27.34% to N8.43), **BCC** (Up 27.30% to N9.56), **Ecobank** (Up 27.07% to N8.12), **Eternal Oil** (Up 26.29% to N2.45) and **Neimeth** (Up 22.36% to N2.90). Meanwhile, the following stock recorded losses in their values during the week **Fidelity Bank** (Down 13.83% to N2.18), **Flour Mills** (Down 10.23% to N52.45), **Afiprint** (Down 8.82% to N0.62), **SCOA** (Down 6.98% to N0.40) and **UTC** (Down 6.94% to N0.67). We note that the NSE adjusted the share price of **Flour Mills Nigeria Plc** for a cash dividend of 85kobo per share and a scrip dividend of one new share for every three shares already held.

Top Gainers (% terms)	Price (₦) 11- Aug	% chg	Top losers (% terms)	Price (₦) 11 - Aug	% chg
CCNN	8.43	27.34	Fidelity Bank	2.18	13.83
BCC	9.56	27.30	Flour Mills	52.45	10.23
Ecobank	8.12	27.07	Afiprint Nig. Plc	0.62	8.82
Eterna Oil & Gas	2.45	26.29	SCOA Nig. Plc	0.40	6.98
Neimeth	2.90	22.36	UTC Nig Plc	0.67	6.94

Market turnover increased by 74.26% against that of the previous week. A total of 1,294million shares worth ₦21.9billion were traded in 41,911 deals as against 816.2million shares worth N12.6billion traded in 35,369 deals in the previous week. There were fifty-two (52) gainers, twenty-one (21) losers, while one hundred and thirty (130) stocks closed the week unchanged. The banking subsector was the most actively traded. Bulk trades in the subsector were recorded in the shares of **First Bank of Nigeria Plc**, **IBTC-Chartered Bank Plc**, **United Bank for Africa Plc**, and **Intercontinental Bank Plc**. Trading on the shares of the four banks represents 49% of the sub sector's turnover.

Comparison Between CGF and Selected Mutual Funds

	Mutual Fund	YTD (%)	Week on Week Chg (%)
1	Coral Growth Fund	23.69	5.65
2	IBTC Nig. Equity Fund	31.68	5.48
3	*Discovery Fund	14.02	3.50

*The Discovery Fund has Exposure to Real Estate.

Primary Market Equities

Issuer	No of shares	Offer price (N)	Opening date	Closing date
May & Baker Nig.	375,000,000	4.00	26 July	23 August
Prestige Assurance	680,000,000	2.50	19 July	16 August

Company Dividend and Bonus Announcements

Company	I/F*	DPS(N)	BONUS	C/D*	P/D*
NNFM	Final	0.25	-	11-Aug-06	12-Sep-06

Company Results

Company	Period Ended	T/O (₦m)	% Change	PAT (₦m)	% Change
Union Bank	FY Mar. 2006	66,000	13.10	10,000	8.70
Japauloil & Maritime	6Mth Jun. 2006	333.30	59.10	52.70	50.60
A.G Leventis	6Mth Jun. 2006	3,143	7.30	183.80	60.80
ACEN Insurance	6Mth Jun. 2006	317.38	24.30	61.97	23.10
Oando	6Mth Jun. 2006	151,576	73.90	1,465.00	23.30
Smithkline	6Mth Jun. 2006	5,135	29.30	596.29	14.90
Ashakacem Plc	6Mth Jun. 2006	9,000	17.65	2,410.00	(1.23)
Nigeria-German	3 Mth Mar 2006	579.39	16.20	34.51	(3.10)
United Bank for Africa	April-June, 2006	19,300	201.60	3,200.00	347.60

Outlook and Analysis

Money Market

The money market may experience liquidity swings. We do not anticipate maturities at the OMO auctions during the week. Meanwhile, outflows to the OMO auctions coupled with the Wednesday and Thursday 91-day and 182-day Treasury bill auctions are expected to put some pressure on rates. It is expected that the Federation Account Allocation Committee (FAAC) would commence their meeting for the month of August. At the foreign exchange market, we expect relative stability in the value of naira in

parity to other currencies.

Equities Market

We anticipate that activities in the stock market will remain bullish in the weeks ahead, as new funds continue to find their way into the stock market. We note that the market is currently experiencing huge speculative activities as investors continue to increase their holdings in a variety of stocks, in anticipation that the market will continue to gain momentum. The full year and interim results announcement of benefits to the shareholders of **Guinness Nig Plc** and **Guaranty Trust Bank Plc** is also much expected. The expectation of these results may continue to drive up their share prices. However, we expect some profit taking in the market in the coming weeks as most share prices are already trading at their year high and look attractive for profit taking. Other stocks that show prospects for growth over the long term include the following:

Selected Foreign Stock Market Indices

	YTD Change %	Weekly Change %
North/Latin America		
DJIA (U.S.A.)	3.46	(1.36)
S & P 500 Index (U.S.A.)	1.48	(0.99)
NASDAQ (U.S.A.)	(6.69)	(1.31)
Bovespa Index (Brazil)	10.43	(2.39)
Europe		
SMI (Switzerland)	3.62	(0.41)
FTSE 100 Index (UK)	3.58	(1.18)
CAC 40 Index (French)	5.73	(1.10)
DAX Index (Germany)	4.07	(1.65)
MSI Index (Spain)	10.71	(1.14)
Africa		
NSE All-Share Index (Nigeria)	31.70	9.69
JSE All-Share Index (S/A)	14.39	(1.43)
GSE All-Share Index (Ghana)	2.21	0.05
Cairo SE Gen (Egypt)	(12.95)	0.41
Asia/Pacific		
NIKKEI 225 Index (Japan)	(3.39)	0.42
BSE 30 Index (India)	19.09	3.00
Hang Seng Index (Hong Kong)	15.95	2.14

Recommended Stocks

	Securities	Target Price	PE Ratio
1	FBN	35.00	21.10
2	GTB	16.00	14.32
3	UBA	18.50	17.64
4	Zenith Bank	20.00	12.09
5	IBTC	5.00	13.27
6	Guinness	145.00	25.28
7	Ashakacem	48.00	15.96
8	WAPCO	46.00	18.08
9	Cadbury	52.00	21.12
10	Flour Mills	54.50	18.40
11	Nestle	210.00	18.18
12	UACN	25.00	12.90
13	Total	195.50	19.59
14	Glaxo Smithkline	12.00	10.90
15	Mobil	185.00	19.10
16	UPDC	11.50	15.00

*CTSL NEGI – CTSL Nigerian Equity Growth Index

*CTSL NEMI – CTSL Nigerian Equity Market Index

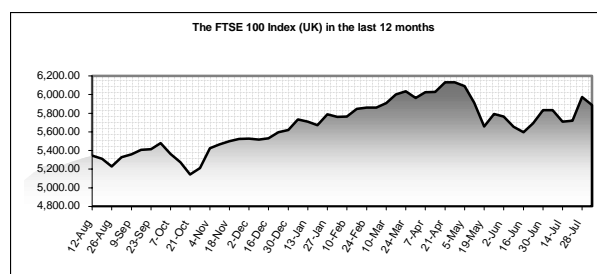
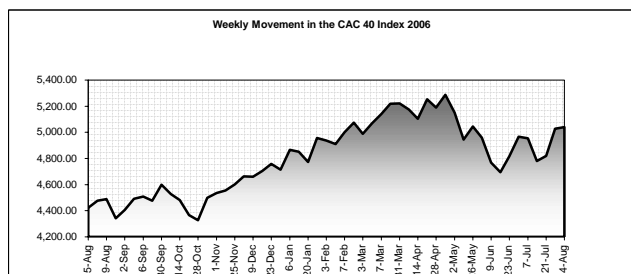
*NIBOR – Nigerian Inter Bank Offered Rates

*Symbols for tables

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

*P/D-Payment Date

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



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