

FSDH

First Securities Discount House Limited

CTSL

Counters Trust Securities Limited

NIGERIAN MONEY & CAPITAL MARKETS



Monday, November 13, 2006

Equity Market Indicators

	Value	NGN	USD	NGN	USD
		1 week % Δ		1 Year % Δ	
NSE ASI	33,384.1	(0.4)	(0.4)	30.79	32.71
Mkt Cap(Nb)	4,116.62	(0.5)	(0.5)	62.36	64.29
CTSL 20	322.23	(2.2)	(2.2)	23.96	25.88
CTSL 40	327.48	(1.5)	(1.5)	31.73	33.66
CTSL Bnk.	378.89	(1.1)	(1.1)	71.35	73.27
CTSL Ins.	213.73	1.6	1.6	(24.46)	(22.5)
CTSL Mfg.	272.92	(2.5)	(2.5)	13.51	15.43
CTSL Pet.	280.96	(0.3)	(0.3)	(14.07)	(12.1)
Mkt					

	Last Week	1 week % Δ
Volume Traded (m)	748.59	(42.01)
Value Traded (₦m)	10,642.88	(38.96)
Deals	33,628	2.87

Coral Funds and Selected Mutual Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	37.47	(1.22)
IBTC Nig. Equity Fund	51.74	(1.92)
Discovery Fund	30.34	(1.91)
Coral Ethical Fund*	12.07	(1.20)
Coral Income Fund*	10.89	(0.22)

*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	5.7500	2.1563	18.8333
NIBOR 90 days	12.4375	12.5938	17.6667

Review

Weekly News Wrap

OPEC's Decision Stabilizes Prices After Sharp Fall

The monthly Oil Market Report of the Organization of the Oil Exporting Countries (OPEC) for the month of November, 2006 indicates that the recent OPEC Ministerial decision to cut production levels by 1.2 mb/d effective 1 November 2006 appears to have largely achieved its purpose of stabilizing markets and arresting the sharp fall in oil prices in the last few months. Prior to the Ministerial Meeting, OPEC Reference Basket had plunged 27% from a peak of \$72.68/b on 8 August to \$53.37/b on 31 October, the report noted. More recently, the Basket has fluctuated within a narrow range of \$53-56/b. The report also shows that the recent sharp fall in crude oil prices may indicate the end of the steady bullish phase which has characterized the market since 2004. It added that the market may be entering into a "transitional phase", marked by slowing global economic growth, downward revisions in oil demand growth, plentiful stocks and a surge in non-OPEC supply.

Continuity of Economic Policies Assured

The President of Nigeria, President Olusegun Obasanjo has assured Nigerians that his successor will continue with the economic reform programmes instituted by his administration. The President said it is better to continue with the reform policy in the best interest of all Nigerians. He said changing any good policy that has been accepted by the people would be difficult thing to do. The President made this known at the commissioning ceremony of the Ariel detergent factory, built by Procter and Gamble (P&G) in Oyo State. While commending P&G, the President noted that the time has come to diversify the revenue sources of Nigeria from oil and gas.

Key Economic Indicators	%
Inflation Rate (YoY) Sep	6.30
Inflation Rate (12 months Ave.) Sep	10.00
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	-
Subscription(₦b)	14.08	15.97	-
Allotment(₦b)	10.00	10.00	-
Stop Rate	5.00	6.25	-

OMO	Nov 6	Nov 6	Nov 8	Nov 9	Nov 10
Tenor(days)	35	91	91	-	-
Bids(₦b)	4.00	1.00	2.00	-	-
Sales(₦b)	4.00	-	2.00	-	-
Stop Rate (%)	4.20	-	5.00	-	-

Exchange Rate (NGN/USD)

	Last Week	1 Wk Ago	12 Mths Ago
Official	127.04	127.04	129.53
Banks	128.40	128.60	131.15
Parallel	130.70	130.80	138.00

Top Gainers & Losers % Terms

Gainers	03-Nov(₦)	% Δ	Losers	03-Nov(₦)	% Δ
Union Dicon	14.71	27.36	Neimeth	3.35	22.09
Wema	3.21	19.33	Chevron	126.00	16.08
Footwear	0.46	17.95	NAMPAK	3.66	14.88
CAP	30.25	14.15	Costain	1.91	13.96
Pharma	3.45	13.49	Afprint	0.65	12.16

5 Most Actively Traded Stocks

S/n	Company	Deals	Volume (m)	Value (N'm)
1	Afribank	402	107.94	1,242.25
2	Access	1,352	63.71	468.84
3	Fidelity	1,031	57.25	120.13
4	Diamond	419	43.75	263.68
5	First Bank	4,153	34.77	1,169.94

Money Market

The money market experienced liquidity tightness last week as a result of the huge foreign exchange funding and the cash reserve debit that hit the system. Consequently, inter-bank rates, especially the shorter tenored instruments, closed the week higher than the preceding week. **7-day NIBOR** closed higher at 5.7500% from 2.1563% in the preceding week while the **90-day NOBOR** closed the week lower at 12.4275% from 12.5938% in the preceding week. At the Primary segment of the market, a total of N10billion worth of 91-day Treasury Bill was offered and sold, N14.08billion was subscribed resulting to a subscription level of 140.8% while N9.98billion was repaid. A total of N10billion worth of N182-day TB was offered and sold, N15.97billion was subscribed resulting to a subscription level of 159.7%, while a total of N7.80billion was repaid. The over subscription received for all the tenors in the primary market caused stop rates to drop. The stop rate on the 91-day TB declined from 5.20% in the preceding week to close the week at 4.998% while the stop rate on the 182 day Treasury bill dropped from 6.75% to close the week at 6.25%. At the secondary segment of the market, a total of N3billion worth 91 day non-rediscountable bills was subscribed and N2billion was sold. The amount sold was 66.67% of the total subscription. On the 35-day non-rediscoutable bills a total of N34.2billion was subscribed and sold. In a similar development, the stop rate on the 91 day non rediscoutable bills recorded a further drop from 5.70% in the preceding week to close at 5.00% while the stop rate on the 35-day non rediscountable bill dropped marginally from 4.25% in the preceding week to 4.20% in the just concluded week. The CBN further increased the amount of foreign exchange on offer last week by 25% to \$350million over the \$280million offered in the preceding week. Similarly, the CBN increased the amount sold by 11.51% to \$530.22million over the amount of \$475.48million sold in the preceding week. The value of naira vis-à-vis the US dollar appreciated in two segments of the market while it remained stable in one segment of the market. It gained 10kobo at the parallel market to close the week at N130.87/US\$ from N130.80/US\$1 and gained 20kobo in the Inter-bank market to close the week at N128.10/US\$1 from N128.30/US\$1. It however remained stable at N128.40/US\$1 in the official market.

Equities Market

The **NSE All Share Index** shed 0.43% of its value last week as a result of decline in the share prices of most of the highly capitalised stocks. All the **CTSL Indices** lost values except the **CTSL Insurance Index**. Gains recorded in the share prices of **Aiico Insurance** (Up 6.41% to N1.66) and **Royal Exchange** (Up to N2.61) accounted for the appreciation of 1.58% in the **CTSL Insurance Index**. Gains recorded in the share price of **Conoil** (Up 6.35% to N67.00) helped to moderate the loss recorded in the **CTSL Petroleum Marketing Index** which lost marginally by 0.29% to close the week at 280.96 points from 281.77 points on the heels of decline in the share prices of **Chevron** (Down 16.08% to N126.00) and **Total** (Down 2.56% to N190). The **Banking Index** lost by 1.10% to close the week at 378.89 points from 383.12 points in the preceding week. The decline came from the drop in the share prices of

First Bank (Down 4.53% to N35.51), **IBTC Chartered** (Down 1.97% to N6.48), **Union Bank** (Down 1.29% to N23.79), **Zenith Bank** (Down 1.60% to N23.95) and **Oceanic Bank** (Down 0.78% to N13.99). Coming from decreases in the share prices of **Nigerian Breweries** (Down 10.42% to 36.95), **Ashakacem** (Down 1.44% to N54.70), **Nestle** (Down 2.60% to N225.00), **UACN** (Down 2.56% to N26.99), **Okomu Oil** (Down 4.79% to N33.99) and **Guinness** (Down 0.09% to N103.01) the **CTSL Manufacturing & Allied Index** lost 2.50% to close at 272.92 points from 279.92 points in the preceding week. In a similar development, the **CTSL 20 NEGI** and **CTSL 40 NEMI** lost 2.23% and 1.53% to close at 322.23 points and 327.48 points respectively. Other major gainers during the week include **Union Dicon Salt** (Up 27.36% to N14.71), **Wema Bank** (Up 19.33% to N3.21), **Footwear and Accessories** (Up 17.95% to N0.46), **CAP** (Up 14.15% to N30.25) and **Pharma-Deko** (Up 13.49% to N3.45) while other major losers during the week include: **Neimeth International** (Down 22.09% to N3.35), **Chevron** (Down 16.08% to N126.00), **NAMPAK** (Down 14.88% to N3.66), **Costain** (Down 13.96% to N1.91) and **Afprint** (Down 12.16% to N0.6). Meanwhile, a total of 11,321,143,263 shares of **Springbank** were admitted to the **Daily Official List** of **The Nigerian Stock Exchange** following the conclusion of the merger of six banks and subsequent share capital reconstruction of 32,476,013,986 ordinary shares. Consequently **ACB**, **Trans International Bank**, **Guardian Express** and **Omega Bank** were delisted from the **Daily Official List**.

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 expect the NNPC debit to hit the system in the coming week. This will increase the liquidity tightness in the market. However the tightness in the market may not last for more than one week in view of the release of the statutory allocation for the month of November which is due in a week's time. In the foreign exchange market we expect a marginal appreciation in the

value naira against major international currencies

Equities Market

We anticipate that the Initial Public Offering by way of Offer for Sale of Dangote Sugar Refinery Plc and the Initial Public Offering of Transcorp will take a toll on the secondary market as activities may be shifted to the primary market to participate in the Offers. However, institutional investors may take advantage of the lull in the secondary market to take positions in the some stocks that have good fundamentals and have potentials 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.

Recommended Stocks

S/N	Stocks	Current Price	Current PE Ratio	Projected Price
1	Okomu Oil	33.99	17.94	46.00
2	R.T. Briscoe	11.70	15.61	15.30
3	Diamond Bank	6.02	10.57	11.50
4	GTB	17.17	13.12	24.50
5	Oceanic	13.99	12.97	18.00
6	UBA	26.55	25.40	30.50
7	Zenith	23.95	16.70	29.00
8	Ashakacem	54.70	18.19	65.00
9	7-Up	47.50	20.29	60.00
10	Flourmills	65.50	20.10	85.00
11	Glaxo Smith	18.16	15.04	21.00
12	May & Baker	8.99	18.33	10.90
13	Crusader	2.06	5.42	5.00
14	Conoil	67.00	15.18	101.00
15	Oando	70.01	15.06	98.00
16	ETI	227.00	17.40	281.00

Company Dividend and Bonus Announcements

Company	I/F *	DPS(N)	Bonus	Closure date	Payment Date
IBTC	F	0.20	-	22-Nov-06	21-Dec-06

Company Interim and Full Year Results

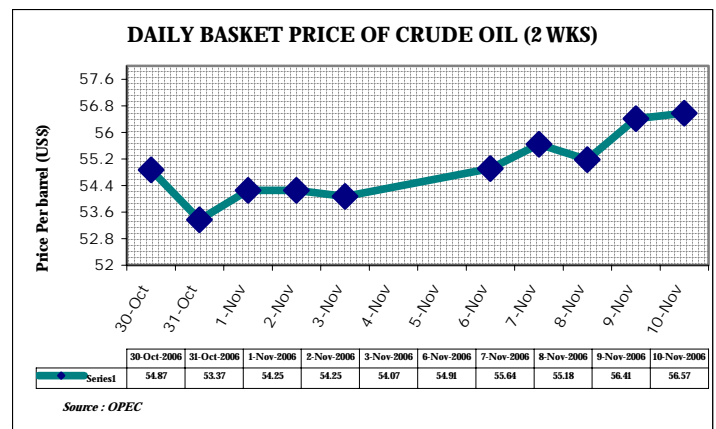
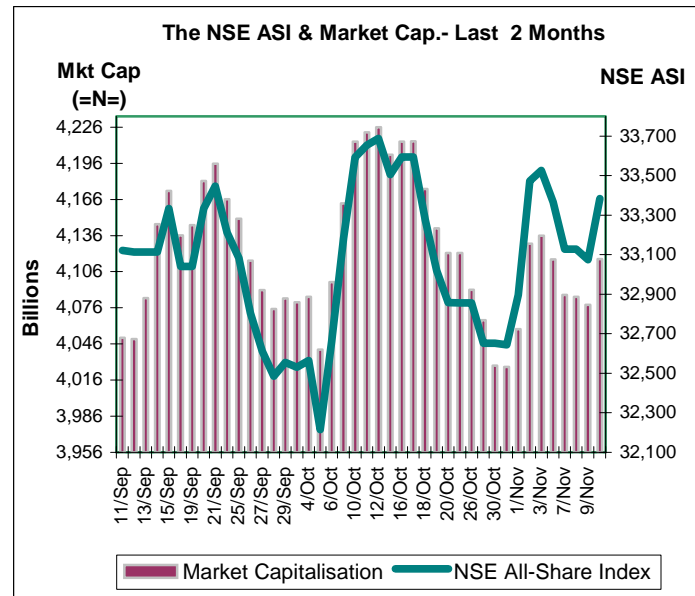
Company	Period ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
IBTC	FY Mar 06	11,287	74.10	3,987	63.13
Oando	9 mths Sep 06	224,026	64.15	2,323	15.40
Smithkline	9 mths Sep 06	7,623	25.09	816.88	19.80
Aluminum Extrusion	6mths June 06	401	4.12	6.61	109.1
Union Bank	6mths June 06	34,925		26,288	
Cutix	3mths Jul 06	246.0	63.12	42.47	304.4
Adswitch	3mths Jul 06	9.08	(54.5)	(0.6)	(115)

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

Selected Foreign Stock Market Indices

	YTD Change %	Weekly Change %
North/Latin America		
DJIA (U.S.A.)	12.98	1.02
S & P 500 Index (U.S.A.)	10.62	1.22
NASDAQ (U.S.A.)	8.36	2.53
Bovespa Index (Brazil)	21.71	0.70
Europe		
SMI (Switzerland)	15.19	0.43
FTSE 100 Index (UK)	10.49	0.98
CAC 40 Index (French)	15.53	2.08
DAX Index (Germany)	17.56	1.87
MSI Index (Spain)	32.12	1.49
Africa		
NSE All-Share Index (Nigeria)	38.60	(0.43)
JSE All-Share Index (S/A)	31.62	0.97
GSE All-Share Index (Ghana)	4.58	0.20
Cairo SE Gen (Egypt)	(0.92)	(1.44)
Asia/Pacific		
NIKKEI 225 Index (Japan)	0.01	(1.45)
BSE 30 Index (India)	41.34	1.16
Hang Seng Index (Hong Kong)	26.99	0.75



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

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