

FSDH

First Securities Discount House Limited

CTSL

Counters Trust Securities Limited

NIGERIAN MONEY & CAPITAL MARKETS



Monday, November 20, 2006

Equity Market Indicators

	Value	NGN	USD	NGN	USD
		1 week % Δ		1 Year % Δ	
NSE ASI	32,557.2	(2.5)	(2.5)	26.89	28.84
Mkt Cap(Nb)	4,048.3	(1.7)	(1.6)	58.85	60.80
CTSL 20	317.39	(1.7)	(1.7)	20.67	22.61
CTSL 40	327.48	(1.7)	(1.7)	28.59	30.54
CTSL Bnk.	374.67	(1.1)	(1.1)	68.52	70.47
CTSL Ins.	211.5	(1.1)	(1.0)	(22.99)	(21.1)
CTSL Mfg.	265.07	(2.9)	(2.9)	9.22	11.17
CTSL Pet.	286.37	1.9	2.0	(12.09)	(10.2)
Mkt					

	Last Week	1 week % Δ
Volume Traded (m)	742.89	(0.76)
Value Traded (₦m)	9,833.93	(7.60)
Deals	31,988	(4.88)

Coral Funds and Selected Mutual Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	36.71	(0.56)
IBTC Nig. Equity Fund	51.50	(0.16)
Discovery Fund	31.28	0.74
Coral Ethical Fund*	3.03	(1.36)
Coral Income Fund*	10.82	(0.01)

*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	19.1667	5.7500	28.0000
NIBOR 90 days	14.2083	12.4375	18.6667

Review

Weekly News Wrap

Ban on Importation of Textiles Remains

President Olusegun Obasanjo has said the ban on the importation of textiles into the country will remain in force, as part of the Administration's efforts to enhance growth, generate more employment and create wealth. The President disclosed this in a meeting with the Nigerian Textiles Manufacturers Association, in State House, Abuja, Nigeria. He said other initiatives being taken by the Administration include a Textile Revival Fund and diplomatic consultations to help curb the smuggling, counterfeiting and dumping in the sector. In another development, President Obasanjo has emphasised the need for local industries to be self sufficient in the use of local raw materials for production.

N217billion Spent on Petroleum Subsidy

The Federal Government has announced that the Nigerian National Petroleum Corporation (NNPC) and the petroleum marketing companies have incurred an amount of N217billion on fuel subsidy between January and October 2006. The amount was spent on the importation of premium motor spirit (petrol) and kerosene into the country to complement domestic production of petroleum products. The Federal Government had planned to spend a total of N150billion in the 2006 fiscal year to stabilise the domestic prices of petroleum products and mitigate the impact of upward movement in crude prices on the domestic products market. In order to achieve this, the Federal Government established a Petroleum Support Fund (PSF) effective January 2006 to stabilise the domestic prices of petroleum products against volatility in international crude and products prices. The oil marketers incurred the extra amount over the amount approved in the 2006 budget as a result of the high crude oil prices in the international market.

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)	10.00	11.14	-
Allotment(₦b)	10.00	10.00	-
Stop Rate	5.48	6.54	-

OMO	Nov 13	Nov 14	Nov 15	Nov 16	Nov 17
Tenor(days)	-	-	91	-	-
Bids(₦b)	-	-	1.5	-	-
Sales(₦b)	-	-	1.5	-	-
Stop Rate (%)	-	-	6.00	-	-

Exchange Rate (NGN/USD)

	Last Week	1 Wk Ago	12 Mths Ago
Official	127.01	127.04	129.53
Banks	128.20	128.40	130.90
Parallel	130.80	130.70	138.00

Top Gainers & Losers % Terms

Gainers	17-Nov(₦)	% Δ	Losers	17-Nov(₦)	% Δ
Skye Bank	5.58	82.35	UTC Nig.	0.91	24.17
Union Dicon	18.76	27.53	Afprint	0.55	15.38
Tripple Gee	2.15	23.56	Poly Products	1.19	13.14
SCOA	0.81	22.73	Cadbury	54.15	12.94
NAMPAK	4.46	21.86	Crusader	1.81	12.14

5 Most Actively Traded Stocks

S/n	Company	Deals	Volume (m)	Value (N'm)
1	Afribank	91	74.97	862.90
2	Fidelity	988	69.21	151.80
3	Wema	1,159	53.47	182.20
4	Access	1,104	50.75	381.05
5	Platinum	455	50.45	147.33

Money Market

The NNPC's withdrawal of about N40billion from the money market last week further enhanced the liquidity tightness in the market. Consequently, inter-bank rates closed the week higher than the preceding week. **7-day NIBOR** closed higher at 19.1667% from 5.7500% in the preceding week, while the **90-day NOBOR** closed the week higher at 14.2083% from 12.4275% in the preceding week. At the primary segment of the market, a total of N10billion worth of 91-day Treasury Bill was offered, subscribed and sold, resulting to 100% subscription level, while N8.99billion was repaid. A total of N10billion worth of N182-day TB was offered and sold, N11.14billion was subscribed resulting to a subscription level of 111.4%, while a total of N5.56billion was repaid. The tightness resulted to low subscription when compared to the previous weeks and consequently led to increase in the stop rates. The stop rate on the 91-day TB increased from 4.998% in the preceding week to close the week at 5.48% while the stop rate on the 182 day Treasury bill increased marginally from 6.25% to close the week at 6.54%. At the secondary segment of the market, there was transaction on only one day where a total of N1.5billion worth 91 day non-rediscountable bills was subscribed and sold. In a similar development, the stop rate on the 91-day non-rediscountable bills recorded a further increase from 5.00% in the preceding week to close at 6.00%. In the foreign exchange market, the CBN further reduced the amount of foreign exchange on offer last week by 54.29% to \$160million over the \$350million offered in the preceding week. Similarly, it reduced the amount sold by 40.21% to \$317million over \$530.22million sold in the preceding week. However, the amount sold was 98.13% higher than the amount offered. 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 3kobo at the official market to close the week at N127.01/US\$ from N127.04/US\$1 in the preceding week and gained 20kobo in the Inter-bank market to close the week at N128.20/US\$1 from N128.40/US\$1. It however lost 10kobo in the parallel market to close the week at N130.80/US\$1 from N130.70/US\$1.

Equities Market

The NSE All Share Index further shed 2.48% of its value last week to close at 32,557.16 points 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 Petroleum Marketing Index. **The CTSL Petroleum Index** added 1.93% to close the week at 286.37 points up from 280.96 points in the preceding week on the strength of increases in the share prices of **Chevron Oil** (Up 18.25% to N149), **Oando** (Up 4.96% to N74), **Conoil** (Up 1.51% to N68.01) and **Total** (Up 1.05% to N192). **The Insurance Index** reversed the gain of 1.58% recorded in the preceding week when it lost 1.07% of its value in the just concluded week to close at 211.45 points down from 213.73 points. The drop in the value of the index came from the drop in the share prices of **Prestige Assurance** (Down 4.68% to N2.85), **Royal Exchange** (Down 1.53% to N2.57) and **Niger Insurance** (Down to 1.70% to N2.31). **The banking Index** lost by 1.11% to close the week at 374.67 points down from 378.89points in the preceding week on the heels of drop in the share prices of **United Bank for Africa** (Down 6.19% to N25), **First Bank** (Down 1.49% to N33.01), **GT Bank** (Down 2.15% to N16.8), **Oceanic Bank** (Down 0.57% to N13.91), **IBTC Chartered** (Down 1.39% to N6.39), and **Access Bank** (Down 1.74% to N7.36). Drop recorded in the share prices of **Guinness** (Down 2.92% to N100), **Nigerian Breweries** (Down 1.03% to N36.57), **P.Z Industries** (Down 8.76% to N25), **CAP**

(Down 5.79% to N28.50), **7-UP** (Down 8.72% to N43.36), **Cadbury** (Down 12.94% to N54.15), **Flourmills** (Down 3.8% to N63.01), **Nigerian Bottling Company** (Down 8.70% to N42) and **UACN Properties** (Down 2.87% to N13.2) was responsible for the 2.88% loss in the value of **CTSL Manufacturing Index** which closed the week at 265.07 points down from 272.92 points in the preceding week. In a similar development, the **CTSL 20 NEGI** and **CTSL 40 NEMI** lost 1.50% and 1.73% to close at 317.39 points and 321.80 points respectively. Other major gainers during the week include: **Skye Bank** (Up 82.35% to N5.58), **Union Dicon Salt** (Up 27.53% to N18.76), **Tripple Gee** (Up 23.56% to N2.15) **SCOA** (Up 22.73% to N0.81), and **Nampak** (Up 21.86% to N4.46) while other major losers during the week include: **UTC** (Down 24.17% to N0.91), **Afprint** (Down 15.38% to N0.55), **Poly Products** (Down 13.14% to N1.19), **Ecobank Nigeria** (Down 10.75% to N4.98) and **Sterling Bank** (9.57% to N5.01). Meanwhile, a total of 7,503,044,788 shares of **Skye Bank Plc** were admitted to the **Daily official List (DOL)** of the **Nigerian Stock Exchange** following the conclusion of the merger arrangement and subsequently the share capital reconstruction of 22,509,134,368 ordinary shares. Consequently **Co-operative Bank** and **Eko International Bank** were delisted from the DOL

Outlook and Analysis

Money Market

The CBN is expected to float N10 billion each of 91 and 182 day TBs while N10 billion each of 91 and 182 day TB will mature. We expect about N46.60 billion worth of non-rediscountable bills to mature in the secondary market. Meanwhile, the Federation Account Allocation Committee (FAAC) will hold its monthly meeting this week and subsequently release the allocation for the month of November 2006. The effect of the maturing bill and the FAAC allocation will ease the liquidity tightness currently experienced in the market and cause inter-bank rates to drop. In the foreign exchange market, we expect marginal appreciation in the value of naira to close the year.

Equities Market

We expect the bearish trend in the market to continue in the next one or two weeks, because of the ongoing Offer for Sale by Dangote Sugar Refinery Plc. However, as stocks that have good fundamentals are becoming more attractive as a result of the bearish trend in the market, investors may make good money by taking appropriate

positions in the market. We maintain that the bearish trend currently dominating the market would continue to create good buy opportunities for investors with medium and long term perspectives in stocks that have good fundamentals and have potentials for growth. 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	34.12	18.01	46.00
2	R.T. Briscoe	12.72	19.97	15.30
3	Diamond Bank	5.80	10.18	11.50
4	GTB	16.80	12.84	24.50
5	Oceanic	13.91	12.90	18.00
6	UBA	25.00	23.83	30.50
7	Zenith	24.10	16.80	29.00
8	Ashakacem	55.19	18.35	65.00
9	7-Up	43.36	18.53	60.00
10	Flourmills	63.01	19.34	85.00
11	Glaxo Smith	18.00	15.50	21.00
12	May & Baker	9.00	10.90	10.90
13	Crusader	1.81	4.76	5.00
14	Conoil	68.01	15.41	101.00
15	Oando	74.00	15.92	98.00

Company Dividend and Bonus Announcements

Company	I/F *	DPS(N)	Bonus	Closure date	Payment Date
Fidelity	F	0.11	-	08-Dec-06	20-Dec-06

Company Interim and Full Year Results

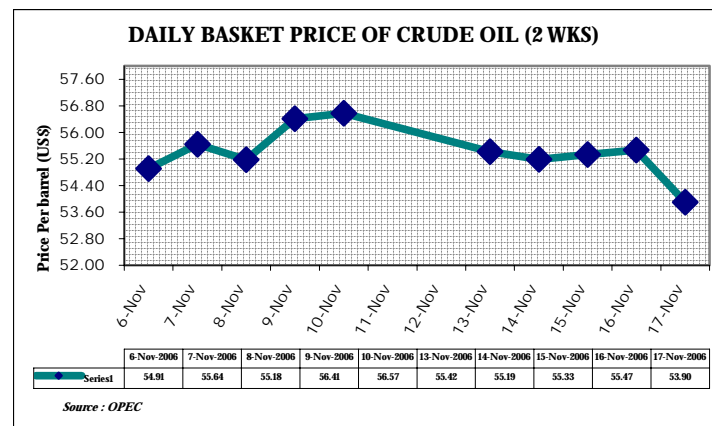
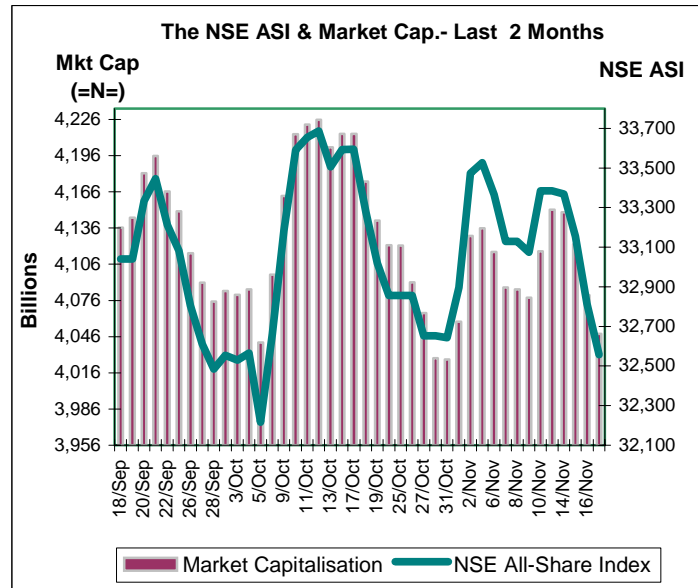
Company	Period ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
Fidelity Bank	FY Jun 2006	11,931	87.4	3,218.6	146.5
Acen	9 mths Sep 06	369.83	14.13	42.17	(17.9)
Prestige	9 mths Sep 06	1,070	16.30	189.00	12.5
Nestle	9 mths Sep 06	28,250	10.39	4,054.00	11.99
NBC	9 mths Sep 06	42,722	7.48	(183.00)	(120)
UPDC	9 mths Sep 06	4,277.0	51.72	546.04	24.10
Presco	9 mths Sep 06	1,682.0	4.10	174.84	(47.4)
Mobil	9 mths Sep 06	58,686	59.35	575.00	(55.8)
Academy	6 mths Sep 06	738.73	37.21	53.10	19.56
Poly Pro.	6 mths Jun 06	866.09	2.66	11.06	863.6
Nig.-Germ	6 mths Jun 06	1,264.0	0.96	85.44	(6.05)
Firstinland	6 mths Oct 06	10,308	615.8	929.47	158.2
IBTC Chart	6 mths Sep 06	10,434	145.3	3,490.00	101.7
Fisrt Bank	6 mths Sep 06	41,230	31.52	10,230.0	11.63
Wema	3 mths Jun 06	5,698.0	61.74	1,678.00	531

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.)	15.16	1.93
S & P 500 Index (U.S.A.)	12.25	1.47
NASDAQ (U.S.A.)	10.91	2.35
Bovespa Index (Brazil)	22.64	0.76
Europe		
SMI (Switzerland)	15.32	0.11
FTSE 100 Index (UK)	10.20	(0.26)
CAC 40 Index (French)	15.36	(0.14)
DAX Index (Germany)	18.57	0.86
MSI Index (Spain)	33.97	1.40
Africa		
NSE All-Share Index (Nigeria)	35.17	(2.48)
JSE All-Share Index (S/A)	28.14	(2.65)
GSE All-Share Index (Ghana)	4.31	(0.26)
Cairo SE Gen (Egypt)	0.77	1.71
Asia/Pacific		
NIKKEI 225 Index (Japan)	(0.12)	(0.13)
BSE 30 Index (India)	42.90	1.10
Hang Seng Index (Hong Kong)	28.95	1.54



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.

Disclaimer Policy

This publication is produced by Counters Trust Securities Limited (CTSL) a subsidiary of First Securities Discount House Limited (FSDH) solely for the information of users who are expected to make their own investment decisions without undue reliance on any information or opinions contained herein. The opinions contained in the report should not be interpreted as an offer to sell, or a solicitation of any offer to buy any investment. CTSL may invest substantially in securities of companies using information contained herein and may also perform or seek to perform investment services for companies mentioned herein. Whilst every care has been taken in preparing this document, no responsibility or liability is accepted by any member of FSDH or CTSL for actions taken as a result of information provided in this publication.