

FSDH

First Securities Discount House Limited

CTSL

Counters Trust Securities Limited

NIGERIAN MONEY & CAPITAL MARKETS



Monday, October 30, 2006

Equity Market indicators

	Value	NGN	USD	NGN	USD
		1 week % Δ		1 Year % Δ	
NSE ASI	32,652.1	(0.6)	(0.6)	26.40	28.36
Mkt Cap(Nb)	4,065.63	(1.4)	(1.4)	57.9	59.9
CTSL 20	331.44	4.9	4.9	24.68	26.63
CTSL 40	335.82	3.5	3.5	32.65	34.60
CTSL Bnk.	387.83	8.65	8.64	72.12	74.08
CTSL Ins.	234.20	(0.7)	(0.7)	(11.20)	(9.25)
CTSL Mfg.	281.66	(1.9)	(1.9)	55.87	57.82
CTSL Pet.	282.19	(0.2)	(0.2)	(11.20)	(9.25)
Mkt					

	Last Week	1 week % Δ
Volume Traded (m)	568.80	(70.60)
Value Traded (₦m)	7,688.84	(47.21)
Deals	20,824	(39.30)

Coral Funds and Selected Mutual Funds

Mutual Fund	YTD %	1 Week Δ %
Coral Growth Fund	40.81	1.22
IBTC Nig. Equity Fund	55.24	(0.32)
Discovery Fund	31.68	1.21
Coral Ethical Fund*	34.17	1.19
Coral Income Fund*	12.47	0.18

*The YTD growth has been annualised

Money Market indicators

Interest Rates %	Last Week	1 Wk Ago	12 Mths Ago
MRR	14.00	14.00	13.00
NIBOR 7 days	2.4688	2.7813	4.7500
NIBOR 90 days	12.5313	12.2500	11.2917

Review

Weekly News Wrap

NNPC, Chevron Sign GMoU with I tsekiri Community

The signing of the Global Memorandum of Understanding (GMOU) by the NNPC/Chevron Nigeria Limited Venture will help build a healthy and more enduring relationship with the stakeholders in the Niger-Delta area. The Chevron chief indicated in his speech that the GMOU is hinged on core values that are formulated to enhance accountability, transparency, peace, security and building of community capacity for sustainable development, as well as conflict resolution through due process and the rule of law.

FG Hires Niger Delta Youth to Secure Oil facilities

As part of the strategic moves to redress the insecurity in the oil-rich region, the Federal government is making arrangements to employ the services of the youth groups in the Niger Delta to secure oil and gas workers and installations against militants' attacks which had subjected the region to crisis.

Nigerians to enjoy nuclear electricity supply in 10 years

There are positive speculations that Nigeria may begin to enjoy electricity through nuclear energy 10 years from now if the Federal government's plan to embark on the project is anything to go by. The Federal government on July 31, 2006 took a major step towards the acquisition of nuclear technology by inaugurating Nigeria Atomic Energy Commission (NAEC) to draft out institutional framework and technical pathways to explore, exploit and harness atomic energy for peaceful application for social economic development of the country. According to the DG of NAEC, nuclear electricity is a viable option to meet the minimum standard of 1,000 watts per capital electricity supply required to drive sustainable development in the country.

Nigeria Begins Operation Wreck Removal from Her Waterways

In a bid for smooth navigation and to ensure maximum safety for vessels, Nigeria has started to clear all ship wrecks and other obstacle from her waterways. This was disclosed by the National Maritime Administration and Safety Administration (NAMASA). The job involves the removal of wrecks and derelicts and transporting to selected dumpsites where they could be scrapped for disposal through outright sale.

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	FG -7Yr Bonds
Offer(₦b)	10.00	10.00	10.00
Subscription(₦b)	15.90	38.67	41.51
Allotment(₦b)	10.00	10.00	10.00
Stop Rate	5.75	7.00	12.74

OMO	Oct 25	Oct 16	Oct 26	Oct 27	Oct 27
Tenor(days)	* 35	35	91	35	91
Bids(₦b)	6.00	8.00	9.25	1.00	11.50
Sales(₦b)	3.00	7.00	6.75	1.00	10.50
Stop Rate (%)	4.80	4.80	6.25	4.80	6.25

* 91-Day Tenor also sold on Oct. 25

Exchange Rate (NGN/USD)

	Last Week	1 Wk Ago	12 Mths Ago
Official	127.02	127.00	129.55
Banks	128.55	128.50	130.70
Parallel	130.90	131.10	138.00

Top Gainers & Losers % Terms

Gainers	27-Oct(₦)	% Δ	Losers	27-Oct(₦)	% Δ
Access	7.846.27	109.00	Ekocorp	0.75	15.73
DN Meyer	4.20	15.70	ETI	191.00	13.19
Union Dicon	9.07	15.69	UNIC	1.42	11.80
CAP Plc.	24.27	15.68	May & Baker	7.96	9.44
R.T Briscoe	9.96	15.68	Pharma	2.77	9.18

5 Most Actively Traded Stocks

S/n	Company	Deals	Volume (m)	Value (N'm)
1	Fidelity	447	202.95	432.48
2	UBN	1,243	63.87	1,533.16
3	UBA	1,537	25.40	694.01
4	IBTC	619	17.93	123.26
5	First Bank	2,568	20.07	745.78

Money Market

Money market remained awash with funds last week as N274billion FAAC allocations for the month of October began to trickle into the financial system. Furthermore, cash call payment of N11.8billion made by the Nigerian National Petroleum Corporation (NNPC) to its Joint Venture partners also boosted the level of liquidity evident in the system. As a result, the outflow of funds to the government securities and foreign exchange market did not significantly impact the level of liquidity in the financial system during the week. Specifically, 7-day NIBOR closed the week down at 2.46% at the end of the week from 2.78% at the end of the previous week, while 90-day NIBOR closed at 12.53% from 12.25% over the same period. Total sale of securities amounting to N48.75billion and repayments of matured bills worth N41.5billion at the primary and secondary segments of the government securities market resulted to a net withdrawal of N7.25billion from the financial system. An analysis of the primary market activities revealed that at the 91-day Treasury bills auction held, participants demanded bills worth N15.9billion representing a subscription of 159% over the N10billion on offer. The stop rate applied was revised downward to 5.75% from 6.10% in the previous week as demand outstripped supply. The 182-day auction witnessed a subscription level of 387% as participants' submitted bids for securities worth N38.67billion. The apex bank allotted N10billion that was on offer. Owing to increasing demand, the apex bank revised the stop rate downward to 7.00% from 7.50% at the previous auction. The sale by auction of the 3rd FGN Bond Series 14 (7years) also took place during the week. A sum of N10billion was on offer, bids worth N41.51billion were submitted and the apex bank sold all that was on offer. This represents a subscription level of 415%. The auction was fully subscribed at a stop rate of 12.74%. This represents a downward review of 25 basis point from the previous sale of FGN Bonds. The demand for foreign exchange by marketers in the last two weeks has put pressure on the foreign exchange market. Consequently, the value of the naira in two segments of the market dropped last week. At the official market, the value of the naira lost 2kobo to close at N127.02/US\$1. Worst hit was recorded in the inter bank market, where the naira lost 5kobo to close the week at N128.55/US\$1. However, the naira closed the week up by 20kobo in the parallel market at N130.90/US\$1. Meanwhile, the CBN sold a total of \$155 million at the sole auction held on Wednesday.

Equities Market

Trading activities at the stock market last week was shortened to only three days as Monday and Tuesday were declared as public holidays by the Federal government for the celebration of Eid-el-Fitri. The market lost some steam during the week, as the stock market indices ended the week on a negative note. The **NSE All-Share Index** lost 0.62% to close the week at 32,652.07. However, the **CTSL 20 NEGI** and **CTSL 40 NEMI** gained 4.92% and 3.51% respectively. Most of the sectoral market indices were down last week except for the banking index as the index gained 8.65% against the background of the share capital reconstruction in Access Bank Plc. Strong gains in the prices of **Access bank** (Up 109.00% to N6.27), **United Bank for Africa** (Up 7.59% to N27.65), **GT bank** (Up 0.06% to N17.36) accounted for the rise in the value of the index. On the flip side, the **CTSL Manufacturing Index** lost 1.85% of its value to close the week at 281.66 points. Price losers in the manufacturing index includes **Guinness** (Down 5.23% to N103.65), **Nigerian Breweries** (Down 1.125% to N41.53), **Unilever** (Down 4.94% to N15.01), **Cadbury** (Down 3.13% to N62.00), **Nestle** (Down 6.83% to N213.75), **UAC-**

Property (Down 6.01% to N13.77), **NBC** (Down 3.17% to N46.48) and **WAPCO** (Down 2.55% to N61.90). The **CTSL Petroleum Marketing Index** also recorded a decline in growth, as it lost 0.21%, on the heels of depreciation in the share prices of **African Petroleum** (Down 3.57% to N40.00), **Conoil** (Down 2.38% to 63.50) and **Mobil** (Down 1.87% to N183.50). In the same vein, the **CTSL Insurance Index** fell by 0.66% to close at 234.20 points, as the share prices of **Aiico Insurance** (Down 4.74% to N1.81) and **Prestige Assurance** (Down 0.63% to N3.14) ended the week on a negative note. The major losers for the week were **Ekocorp** (Down 15.73% to N0.75), **Ecobank Transnational** (Down 13.19% to N191.00), **UNIC Insurance** (Down 11.80% to N1.42), **May & Baker** (Down 9.44% to N7.96) and **Pharma-Deko** (Down 9.18% to N2.77). Other major gainers include **DN Meyer** (Up 15.70% to N4.20), **Union Dicon** (Up 15.69% to N9.07), **CAP Plc** (Up 15.68% to N24.27), **RT Briscoe** (Up 15.68% to N9.96), and **Vono Product** (Up 14.74% to N1.79). Losers forty-five (45) outnumbered gainers thirty-six (36) for the week, while a hundred and twenty-two (122) stocks remained static in their values.

Outlook and Analysis

Money Market

Interest rates are expected to dip further this week, as funds from statutory allocations flood the system. We expect some repayments amounting to N26billion to be made by the apex bank in the week ahead; this should also increase the level of liquidity in the system. The CBN is expected to mop the liquidity by offering same day non-rediscountable bills. In the same vein, the CBN is expected to float N10billion 91-day and 182-day Treasury bill each during the week. The one year Treasury bill is also expected to be on offer. The CBN may likely intervene in the foreign exchange market with a special auction to douse the current high demanded in the market.

Equities Market

Activities in the stock market is expected to be on the upbeat in the coming weeks, as we expect activities of some speculators to dominate the market as they take advantage of the recent decline recorded in the prices of some blue chips stocks. We however, foresee buy opportunities at a certain level in the secondary segment of the equities market. Some institutional investors and speculators may harness such opportunities thus pushing

activities northwards in the course of the week. Meanwhile, we reiterate that investors should review or formulate their investment strategies around a horizon of at least 12 months. We continue to recommend the following stocks which have good fundamentals and show prospects for growth in the long term:

Recommended Stocks

S/N	Securities	Target Price	PE Ratio
1	Presco	10.20	16.68
2	FBN	30.00	16.61
3	GTB	17.00	12.99
4	UBA	22.00	20.97
5	Zenith Bank	22.00	15.34
6	IBTC	6.00	15.93
7	Guinness	100.00	19.82
8	BCC	35.00	21.09
9	Ashakacem	50.00	16.62
10	WAPCO	60.00	17.19
11	CAP Plc	22.00	18.00
12	Cadbury	52.00	22.96
13	Nestle	210.00	18.18
14	UACN	25.00	17.50
15	Total	195.00	19.54
16	Glaxo Smithkline	13.50	12.26
17	Mobil	175.50	18.07
18	UPDC	12.50	16.31
19	Chevron Oil	125.50	21.95

Company Dividend and Bonus Announcements

Company	I/F *	DPS(N)	Bonus	Closure date	Payment Date
Nigerian Breweries	I	0.40	-	2-Nov-06	13-Nov-06

Company Interim and Full Year Results

Company	Period ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
UTB	FY Dec 05	612.57	(69.1)	82.65	211.5
Ecobank	9mths Sep 06	11,632	72.6	2,688.00	138.3
WAPIC	9mths Sep 06	29,382	861.9	8,650	818.1
Acess	6mths June 06	11,100	88.1	2,400	100
Aiico	6mths June 06	1,509	4.9	48.47	(61.0)

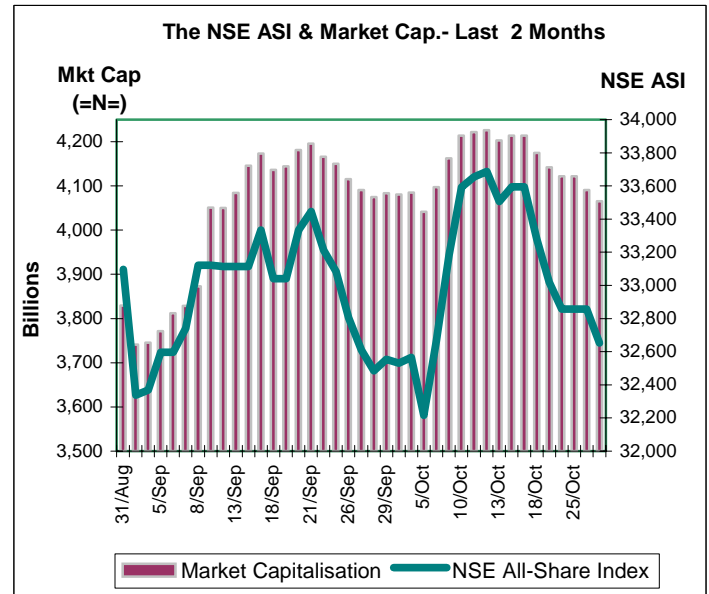
Primary Market Equities

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.)	12.81	0.73
S & P 500 Index (U.S.A.)	10.34	0.64
NASDAQ (U.S.A.)	6.59	0.36
Bovespa Index (Brazil)	17.55	1.77
Europe		
SMI (Switzerland)	14.66	0.61
FTSE 100 Index (UK)	9.65	0.09
CAC 40 Index (French)	14.44	0.38
DAX Index (Germany)	15.80	0.96
MSI Index (Spain)	29.32	1.00
Africa		
NSE All-Share Index (Nigeria)	35.57	(0.62)
JSE All-Share Index (S/A)	27.44	(1.18)
GSE All-Share Index (Ghana)	4.08	0.00
Cairo SE Gen (Egypt)	(1.38)	0.76
Asia/Pacific		
NIKKEI 225 Index (Japan)	3.46	0.10
BSE 30 Index (India)	37.34	1.55
Hang Seng Index (Hong Kong)	23.00	1.02



Symbols for Tables

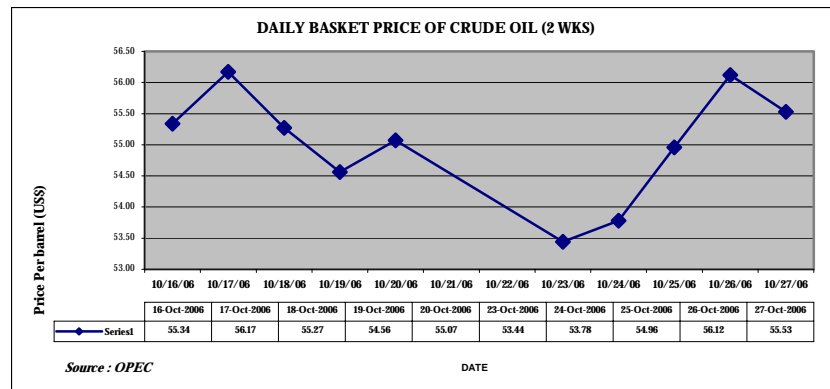
*NIBOR – Nigerian Inter Bank Offered Rates

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