



Interbank Rates.....

Interbank lending rates firmed up to an average of 12.57% from 12.42% recorded the previous week as maturing T.bills worth N132.22billion was not enough to offset the effect of N90.04billion Of OMO sales in the week. The 30-day rate firmed up to 12.18% from 11.90% while the 90 and 180-day rates closed 13.33% and 14.30% from 13.16% and 14.13% respectively the previous week.

Exchange Rate.....

The local currency strengthened by 15bps at the interbank market against the U.S Dollar to close at N162.75/\$ when compared to its close of N163.00/\$ last Friday.

Reserve Movement.....

Nigeria’s external reserves firmed up by \$429.11million to close at \$37.74billion on Thursday July 3, 2014 representing an increase of 1.14% when compared to \$37.32billion recorded last Friday. Reserves have declined by 13.45% when compared to the Dec 31, 2013 close at \$43.61billion. Going forward, we expect the policy change for Bureau De Change Operators to strengthen the local currency.

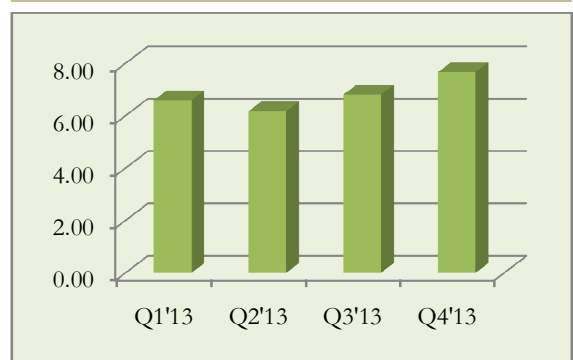
Depletion of the Excess Crude Account.....

Nigeria’s fiscal buffers remain in dire situation as revenue from crude oil continues to decline, threatening budget implementation for the fiscal year. According to available data, the Federal Government withdrew N1.99trillion from the Excess Crude Account in the fiscal year 2013 to augment revenue targets. A breakdown of the figures show that N1.08trillion of the amount withdrawn in 2013 was used to augment statutory revenue to the three tiers of government, while N505billion was used for the payment of subsidies on petroleum products.

Inflation trend

Month	Rate (%)
November	7.9
December	8.0
January	8.0
February	7.7
March	7.8
April	7.9
May	8.0

GDP growth rate



Key Highlights

- MPR retained at 12%.
- CRR on Public Sector Deposits retained at 75%.
- CRR on Private Sector Deposits sustained at 15%.
- Liquidity ratio held constant at 30%.
- May Inflation rate up 10bps to 8.00%.
- Interbank rates firmed up across all tenor buckets on liquidity squeeze.



FIXED INCOME REPORT

- **Local currency**

Interbank open buy back (OBB) and over night (O/N) rates opened at an average rate of 10.25% and 10.50%. Market liquidity was sustained owing to the redemption of Treasury bills during the week

- **Bonds/Treasury bills**

Bear sentiments continued at the treasury bills OTC space with interest from domestic investors. However, sell-off set the tune for market reversal at the last trading day. At the bond OTC space, slight volatility was seen as Prices jerked up across maturities during the week under review.

At the OMO auction window, ₦50billion of 108day bill was offered while ₦90.04billion was sold at a discount rate of 10.8%.

- **Outlook for the coming week**

In the week ahead, we expect Treasury bills and OMO redemption totalling ₦194.87billion to improve market liquidity. However, the Apex bank is expected to issue 91 and 182day bill totalling ₦70.56billion

AUCTION RESULTS FOR THE WEEK

Auction Date	30/06/2014
Security Type	OMO
Tenor	108 Day
Maturity Date	16/10/2014
Total Subscription	92041.798
Total Successful	90041.798
Range Bid	10.7500 - 11.0000
Successful Bid Rates	10.7500 - 10.8000
Rate	10.8
True Yield	11.1565
Amt offered	50000



FGN Bonds						
Description	Coupon (%)	Maturity Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
9.25 28-SEP-2014	9.25	28-Sep-14	11.14	10.50	99.50	99.65
4.00 23-APR-2015	4.00	23-Apr-15	10.79	10.10	94.88	95.38
13.05 16-AUG-2016	13.05	16-Aug-16	11.40	11.32	103.00	103.15
15.10 27-APR-2017	15.10	27-Apr-17	11.32	11.26	108.85	109.00
9.85 27-JUL-2017	9.85	27-Jul-17	11.27	11.15	96.39	96.69
9.35 31-AUG-2017	9.35	31-Aug-17	11.27	11.15	94.99	95.29
10.70 30-MAY-2018	10.70	30-May-18	11.28	11.18	98.18	98.48
16.00 29-JUN-2019	16.00	29-Jun-19	11.37	11.30	117.25	117.55
7.00 23-OCT-2019	7.00	23-Oct-19	11.36	11.27	82.96	83.26
16.39 27-JAN-2022	16.39	27-Jan-22	11.82	11.77	122.40	122.70
14.20 14-MAR-2024	14.20	14-Mar-24	12.09	12.04	111.80	112.10
15.00 28-NOV-2028	15.00	28-Nov-28	12.15	12.11	119.11	119.41
12.49 22-MAY-2029	12.49	22-May-29	12.16	12.12	102.19	102.49
8.50 20-NOV-2029	8.50	20-Nov-29	12.18	12.12	74.69	74.99
10.00 23-JUL-2030	10.00	23-Jul-30	12.24	12.19	84.40	84.70

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)
10-Jul-14	10.10	9.85
17-Jul-14	9.90	9.65
24-Jul-14	10.00	9.75
31-Jul-14	10.15	9.90
7-Aug-14	10.40	10.15
14-Aug-14	10.05	9.80
21-Aug-14	9.95	9.70
28-Aug-14	10.10	9.85
4-Sep-14	10.45	10.20
11-Sep-14	10.55	10.30
18-Sep-14	10.70	10.45
25-Sep-14	10.50	10.25
2-Oct-14	10.75	10.50
9-Oct-14	10.45	10.20
16-Oct-14	10.75	10.50
23-Oct-14	10.80	10.55
30-Oct-14	10.80	10.55
6-Nov-14	10.70	10.45
20-Nov-14	10.60	10.35
4-Dec-14	10.55	10.30
8-Jan-15	10.35	10.10
22-Jan-15	10.45	10.20
5-Feb-15	10.40	10.15
19-Feb-15	10.35	10.10
5-Mar-15	10.40	10.15
9-Apr-15	10.30	10.05
23-Apr-15	10.20	9.95
7-May-15	9.90	9.65

The Equities Market

Market consolidates on gains.....index up 2.00%

Activity on the floor of the exchange remained upbeat as key market indicators closed green for the second consecutive week by a 2.00% gain to settle at 43,031.81 as against a 2.57% upside witnessed last week. Similarly, market capitalization firmed up by N278.75billion to settle at ₦14.21trillion.

Decline in activity level.....

The volume of shares traded for the week declined by 21.45% as investors exchanged 2.27billion shares worth N28.62billion in 26,730 deals as against 2.89billion shares valued at N30.03billion traded in the previous session. Further analysis, showed that the financial services sector was the most active accounting for 76.70% of market turnover; boosted by activity in the shares of FBN Holding and Continental Insurance Plc.

Major sector indices close positive.....

All the sector indices under our coverage closed in the positive territory. The NSE-INSURANCE index posted the highest return by a 1.94% upside, on positive posture in the shares of Custodyins, Mansard and Wapic Insurance Plc; the NSE-IND.GOODS index firmed up by 1.92%, the NSE-BANKING index was up 1.24% while the NSE- OIL&GAS index and the NSE-CON.GOODS index rose 0.46% and 0.22% respectively.

Custody Insurance tops stock performance.....

Market sentiment closed positive with 42 equities advancing in price and 32 others declining. CUSTODYINS topped stock performance by a gain of 11.94%, TRANSCORP trailed with 10.55%, 7UP 10.25%, INTBREW 10.11% and MANSARD 8.00%. Conversely, JAPAUOIL led losers with a 16.67% decline, JBERGER 9.74%, MRS 9.74%, ABCTRANS 9.57% and AGLEVENT 9.03% bringing market year-to-date return to 4.12 %.

Weekly Statistics

	04/07/2014	27/06/2014	Change
ASI	43,031.81	42,187.62	2.00%
CAP	₦14.21tn	₦13.93tn	₦278.75bn
VOLUME	2.27bn	2.89bn	(21.45%)
VALUE	₦28.62bn	₦30.03bn	(4.70%)
DEALS	26,730	30,650	(12.79%)

Top Gainers

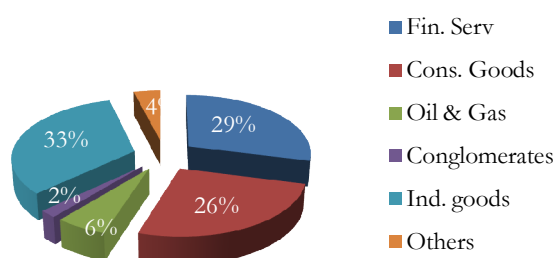
Symbol	Previous	Current	return
CUSTODYINS	₦3.60	₦4.03	11.94%
TRANSCORP	₦4.74	₦5.24	10.55%
7UP	₦93.00	₦102.53	10.25%
INTBREW	₦26.70	₦29.40	10.11%
MANSARD	₦2.50	₦2.70	8.00%
CUTIX	₦1.83	₦1.97	7.65%
SEPLAT	₦675.10	₦720.00	6.65%
ETI	₦16.24	₦17.32	6.65%
UACN	₦62.06	₦66.00	6.35%
WAPIC	₦0.80	₦0.85	6.25%

Top Losers

Symbol	Previous	Current	return
JAPAUOIL	₦0.66	₦0.55	(16.67%)
JBERGER	₦76.45	₦69.00	(9.74%)
MRS	₦70.00	₦63.18	(9.74%)
ABCTRANS	₦0.94	₦0.85	(9.57%)
AGLEVENT	₦1.44	₦1.31	(9.03%)
CADBURY	₦81.89	₦74.50	(9.02%)
VITAFOAM	₦4.44	₦4.10	(7.66%)
AIICO	₦0.84	₦0.78	(7.14%)
REDSTAREX	₦5.17	₦4.81	(6.96%)
MAYBAKER	₦1.78	₦1.67	(6.18%)

	04/07/2014	27/06/2014	Change
NSE-30	1,945.15	1,918.60	1.38%
NSE-Banking	437.35	432.01	1.24%
NSE-Insurance	149.01	146.18	1.94%
NSE-Consumer goods	1,046.03	1,043.78	0.22%
NSE-Oil&Gas	454.93	452.86	0.46%
NSE-Industrial goods	2,724.03	2,672.61	1.92%

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	17,068.26	16,851.84	1.28%
FTSE	6,869.06	6,757.77	1.65%
NIKKEI	15,437.13	15,095.00	2.27%
S.AFRICA	52,050.28	50,625.37	2.81%
BRAZIL	53,769.20	53,157.30	1.15%
INDIA	7,751.60	7,508.80	3.23%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
NEIMETH	N1.32	4.76%	75	Q1'14	162.95	₦2.88	0.06	₦2.38
ASHAKA	₦29.00	0.00%	1,919	Q1'14	69.45%	₦38.00	0.86	₦29.93
ACCESS	₦9.71	0.10%	11,626	Q1'14	25.02%	₦11.65	0.51	₦11.79
AFRIPRUD	₦3.28	0.92%	213	Q1'14	22.04%	N/A	0.11	₦4.10
BERGER	₦9.00	0.00%	48	Q1'14	59.44%	₦9.86	0.17	₦11.38
DANGSUGAR	₦9.30	(1.06%)	3,758	Q1'14	8.83%	₦12.58	0.31	₦12.85
ZENITH	₦25.10	0.40%	23,677	Q'14	1.15%	₦30.98	0.75	₦27.40
UACN	₦66.00	6.35%	1,970	Q1'14	48.68%	N/A	1.03	₦71.20
UBCAP	₦2.35	0.43%	503	Q1'14	0.22%	N/A	0.08	₦2.91

Earnings Update

Symbol	Period	Turnover (₦'m)			Profit (₦'m)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
UnityBank	H1'14	30,851	30,174	2.24	7,108	3,702	92.00	
SmartProducts	FY'13	47	40	19.36	12	11	3.09	
FTNCocoa	FY'13	491	278	76.83	(286)	(405)	29.53	
RedStar	FY'14	6,416	5,393	18.96	403	304	32.55	
FTNCocoa	FY'12	278	836	(66.76)	(405)	(244)	66.52	
AvonCrown	FY'14	13,556	11,713	15.73	129	(105)	223.08	
7Up	FY'14	77,888	64,088	21.53	6,434	2,856	125.26	
AiicoIns	Q1'14	8,811	5,837	50.95	914	746	22.52	
AiicoIns	FY'13	23,602	21,273	10.95	(739)	1,320	-155.98	
WapicIns	FY'13	3,760	4,178	-9.99	(208)	383	-154.34	
OasisIns	Q1'14	608	506	20.32	94	35	163.09	
OasisIns	FY'13	1,243	1,604	-22.52	(71)	230	-131.09	
UnionHomes	FY'13	7,702	6,325	21.77	(2,614)	(5,355)	-51.19	

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