



Inflation expectation for July 2014.....

The National Bureau of Statistics will release July inflation figures on the 18th of August, 2014. We anticipate a 10bps increase in the Consumer Price index to 8.30% as a result of election related spending as we approach the 2015 elections and continued insurgency in the Northern parts of Nigeria which has hiked the prices of food commodities.

Interbank lending rates.....

An inflow of N138.24billion worth of T.bills could not offset the effect of the mop up of N174.01billion from the system by way of bond issuance from the financial system by the apex bank. Consequently, rates firmed up to an average of 13.48 percent from the previous close of 12.81 percent. The Overnight and 1-month rates rose by 1.25 percent and 0.42 percent to 12.13 percent and 13.01 percent respectively, while the 3-months and the 6-months rates firmed up by 0.63 percent and 0.37 percent to 14.06 percent and 14.71 percent respectively.

Exchange Rate.....

In the review week, the local currency strengthened by 17bps to close at N162.52/US\$ compared to N162.80/US\$ for the previous week on sale of forex by NNPC and oil majors.

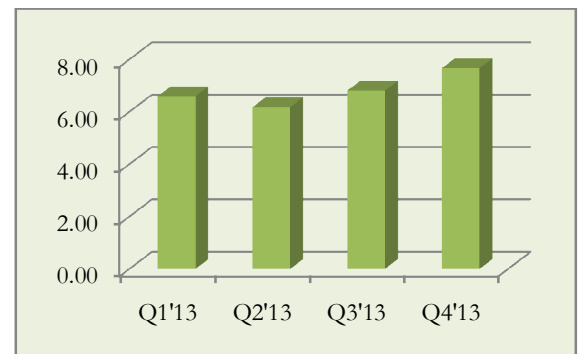
Reserve movement.....

Nigeria’s external reserves appreciated by \$36.85million to \$39.61billion as at Thursday August 14, 2014 representing an increase of 0.09% when compared to \$39.58billion recorded the previous week. When compared to its close as at Dec 31, 2013 at \$43.61billion, reserves have declined 9.17%.

Inflation trend

Month	Rate (%)
December	8.0
January	8.0
February	7.7
March	7.8
April	7.9
May	8.0
June	8.2

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%.
- June Inflation rate up 20bps to 8.20%.
- Interbank lending rates rose to an average of 13.48% for the week.

FIXED INCOME REPORT

- **Local Currency**

Mixed trading at the money market space, interbank open buy back (OBB) and over night (O/N) rates firmed up to open at the average rates of 11.58% and 11.83% respectively owing to monetary tightening by the apex bank. Matured OMO bills boosted market liquidity with the former trading at 10.5% and the later at 10.75%. However, payments for RDAS as well as the monthly FGN Bond took O/N and OBB rates to 12.0% and 12.25% respectively

- **Bonds/Treasury bills**

At the OMO auction window, N50billion of 136day bill was offered while N221.47billion was sold at discount stop rate of 10.8%. At the FGN monthly primary auction, N 100billion worth of 13.05% FGN AUG 2016 (3year Re-opening), 14.20% FGN MAR 2024 (10year Re-opening) and 12.1493% FGN JUL 2034 (20year Re-opening) were offered and were sold at the marginal rates of 11.123%, 12.22% and 12.389% against 11.0%, 12.194% and 12.1493% at the previous auction. Total subscription stood at N174.01billion. In addition N 11.2billion of 14.2% March 2024 was allotted on non competitive basis

- **Outlook for the coming week**

In the week ahead, we expect the distribution of FAAC allocation to the three tiers of government, redemption of treasury and OMO bills totalling N216.99billion. However, the Apex bank is expected to issue 91 and 182day treasury bills totalling N70.648billion. In line with monetary stance, we also expect the apex bank to also issue OMO bills to mop up liquidity.

Auction Result

OMO Auction

Auction Date	08/11/2014
Tenor	136 Day
Auction	OMO
Maturity Date	12/25/2014
Total Subscription	221471.92
Total Successful	221471.92
Range Bid	10.7500 - 10.8000
Successful Bid Rates	10.7500 - 10.8000
Rate	10.8
True Yield	11.2528
Amtoffered	50000

Bond Auction

Auction Date	8/13/2014	8/13/2014	8/13/2014
Security Type	FGN Bond	FGN Bond	FGN Bond
Tenor	3 Year	10-Year	20-Year
Auction No	13.05% FGN AUG 2016	14.20% FGN MAR 2024	12.1493% FGN JUL 2034
Auction	Primary Market	Primary Market	Primary Market
Maturity Date	8/16/2016	3/14/2024	7/18/2034
Total Subscription	29.4	97.15	47.46
Total Successful	15	50	35
Range Bid	10.0000 - 11.1230	11.5000 - 13.9900	11.8000 - 14.0190
Successful Bid Rates	10.0000 - 11.1230	11.5000 - 12.2200	11.8000 - 12.3890
Rate	11.123	12.22	12.389
Amtoffered	15	50	35

FGN Bonds					
Description	Issue Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
9.25 28-SEP-2014	28-Sep-14	10.74	9.51	99.78	99.93
4.00 23-APR-2015	23-Apr-15	11.01	10.21	95.46	95.96
13.05 16-AUG-2016	16-Aug-16	11.39	11.31	102.90	103.05
15.10 27-APR-2017	27-Apr-17	11.29	11.23	108.60	108.75
9.85 27-JUL-2017	27-Jul-17	11.34	11.27	96.35	96.50
9.35 31-AUG-2017	31-Aug-17	11.34	11.22	94.98	95.28
10.70 30-MAY-2018	30-May-18	11.44	11.34	97.74	98.04
16.00 29-JUN-2019	29-Jun-19	11.54	11.46	116.25	116.55
7.00 23-OCT-2019	23-Oct-19	11.68	11.59	82.13	82.43
16.39 27-JAN-2022	27-Jan-22	12.15	12.09	120.40	120.70
14.20 14-MAR-2024	14-Mar-24	12.31	12.26	110.45	110.75
15.00 28-NOV-2028	28-Nov-28	12.35	12.31	117.53	117.83
12.49 22-MAY-2029	22-May-29	12.32	12.28	101.09	101.39
8.50 20-NOV-2029	20-Nov-29	12.29	12.24	74.11	74.41
10.00 23-JUL-2030	23-Jul-30	12.19	12.14	84.75	85.05
12.1493 18-JUL-2034	18-Jul-34	12.37	12.33	98.35	98.65

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)
28-Aug-14	10.50	10.25
4-Sep-14	10.55	10.30
11-Sep-14	10.30	10.05
18-Sep-14	10.50	10.25
25-Sep-14	10.50	10.25
2-Oct-14	10.65	10.40
9-Oct-14	10.50	10.25
16-Oct-14	10.65	10.40
23-Oct-14	10.65	10.40
30-Oct-14	10.50	10.25
6-Nov-14	10.20	9.95
13-Nov-14	10.65	10.40
20-Nov-14	10.20	9.95
27-Nov-14	10.75	10.50
4-Dec-14	10.10	9.85
11-Dec-14	10.75	10.50
25-Dec-14	10.80	10.55
8-Jan-15	10.30	10.05
22-Jan-15	10.35	10.10
5-Feb-15	10.40	10.15
19-Feb-15	10.40	10.15
5-Mar-15	10.40	10.15
9-Apr-15	10.10	9.85
23-Apr-15	10.25	10.00
7-May-15	10.15	9.90

The Equities Market

High cap stocks drag index down 2.86%.....

Market indicators closed the week on a bearish note, reversing last week's gains as profit taking by speculative investors and sell pressure in the shares of Dangote Cement Plc pulled the index down by 2.86% to settle at 41,380.05 as against an appreciation of 1.58% seen last week. Consequently, market capitalization shed a whopping N402.32billion to settle at N13.66trillion.

Decline in activity level.....

The volume of traded equities for the week declined 4.19% as investors exchanged 1.37billion shares worth N13.29Billion in 23,973 deals as against 1.43billion shares valued at N20.18billion in 26,289 deals. The Financial services sector accounted for 64.94% of market volume while Continental Insurance Plc buoyed activity in the financial services sector.

Negative sector performance.....

All the sector indices under our coverage universe closed in the negative territory. The NSE-BANKING index declined the most by 4.83% on losses recorded in the shares of UBN and UBA Plc; the NSE-OIL&GAS index trailed with 4.05% on profit taking in the shares of Conoil, MRS and Forte Oil Plc, the NSE-CON.GOODS index came in lower by 3.68% while the NSE-IND.GOODS index and the NSE-INSURANCE index lost 1.48% and 0.26% respectively.

Market breadth sustained negative trend.....

Market breadth closed negative with 27 gainers and 42 losers. Top gainers include: PREMBREW 37.50%, PHARMDEKO 14.65%, IKEJAHOTEL 6.76%, ROYALEX 5.26% and EVANSMED 5.12%. On the contrary, ABCTRANS led losers with 17.65%, CONOIL 13.90% on profit decline in H1'14 result, UBN 9.89%, CADBURY 9.74% and MRS 9.24%. Market

Weekly Statistics

	15/08/2014	08/08/2014	Change
ASI	41,380.05	42,598.46	(2.86%)
CAP	₦13.66tn	₦14.07tn	(₦402.32bn)
VOLUME	1.37bn	1.43bn	(4.19%)
VALUE	₦13.29bn	₦20.18bn	(34.14%)
DEALS	23,973	26,289	(8.81%)

Top Gainers

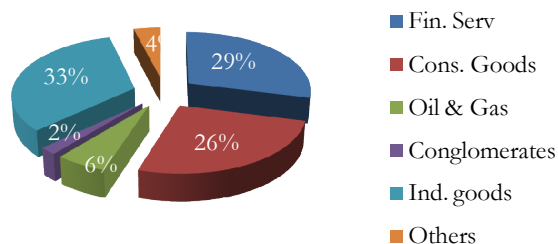
Symbol	Previous	Current	return
PREMBREW	₦0.80	₦1.10	37.50%
PHARMDEKO	₦1.98	₦2.27	14.65%
IKEJAHOTEL	₦0.74	₦0.79	6.76%
ROYALEX	₦0.57	₦0.60	5.26%
EVANSMED	₦2.15	₦2.26	5.12%
ETERNA	₦3.80	₦3.99	5.00%
BERGER	₦8.60	₦9.00	4.65%
COSTAIN	₦1.15	₦1.20	4.35%
CORNERST	₦0.50	₦0.52	4.00%
PRESTIGE	₦0.50	₦0.52	4.00%

Top Losers

Symbol	Previous	Current	return
ABCTRANS	₦0.85	₦0.70	(17.65%)
CONOIL	₦75.73	₦65.20	(13.90%)
UBN	₦9.00	₦8.11	(9.89%)
CADBURY	₦74.25	₦67.02	(9.74%)
MRS	₦59.50	₦54.00	(9.24%)
UBA	₦7.90	₦7.20	(8.86%)
NB	₦184.15	₦171.30	(6.98%)
ETI	₦18.33	₦17.22	(6.06%)
FO	₦240	₦226	(5.83%)
GUINNESS	₦200	₦189	(5.50%)

	15/08/2014	08/08/2014	Change
NSE-30	1,880.27	1,946.39	(3.39%)
NSE-Banking	420.21	441.52	(4.83%)
NSE-Insurance	144.03	144.40	(0.26%)
NSE-Consumer goods	1,030.83	1,070.19	(3.68%)
NSE-Oil&Gas	473.39	493.37	(4.05%)
NSE-Industrial goods	2,695.44	2,736.06	(1.48%)

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	16,653.02	16,553.93	0.60%
FTSE	6,713.03	6,567.36	2.22%
NIKKEI	15,318.34	14,778.37	3.65%
S.AFRICA	51,299.82	50,669.95	1.24%
BRAZIL	56,458.53	55,572.93	1.59%
INDIA	7,791.70	7,568.55	2.95%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
ETI	₦17.22	(6.06%)	31,629	H1'14	14.90%	₦25.00	1.98	₦18.33
ASHAKACEM	₦34.00	0.00%	3,518	H1'14	204.19%	₦38.00	1.57	₦34.17
ACCESS	₦9.74	(1.62%)	11,626	Q1'14	25.02%	₦11.65	0.51	₦11.34
AFRIPRUD	₦3.25	1.25%	551	H1'14	14.19%	₦4.27	0.28	₦4.10
ZENITH	₦23.90	(4.40%)	47,445	H1'14	8.26%	₦30.98	1.51	₦27.40
UBCAP	₦2.16	0.00%	1,245	H1'14	23.55%	N/A	0.21	₦2.91
CUSTODYINS	₦3.98	1.02%	2,276	H1'14	100.08%	N/A	0.39	₦4.03
NAHCO	₦5.00	(0.19%)	381	H1'14	19.24%	N/A	0.26	₦6.80
HONYFLOUR	₦4.12	((0.48%))	3,351	FY'14	17.87%	N/A	0.42	₦4.50

Earnings Update

Symbol	Period	Turnover (₦'m)			Profit (₦'m)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
DANGCEM	H1'14	208,908	198,463	5.26	95,439	107,680	-11	
INTBRW	Q1'14	5,211	4,345	19.93	708	534	32.46	
AGLEVENT	H1'14	5,143	5,922	-13.15	274	246	11.42	
CONOIL	H1'14	78,507	79,629	-1.41	1,011	1,599	-36.73	
CONOIL	Q1'14	37,598	37,865	-0.70	363	366	-0.82	
SKYESHELT	H1'14	90	84	7.01	66	63	6.09	
PZ	FY'14	72,905	71,343	2.19	5,082	5,321	-4.48	
NASCON	H1'14	5,379	5,336	0.81	1,062	1,390	-23.53	
FO	H1'14	79,606	59,960	32.77	3,134	1,391	125.19	
ROYALEX	FY'14	9,083	7,614	19.29	806	573	40.64	
AIRSERVICE	H1'14	1,628	1,756	-7.26	22	69	-67.28	
CUTIX	FY'14	2,234	1,929	15.83	207	151	36.78	
JAPAUOIL	H1'14	6,455	6,782	-4.82	345	420	-17.82	
UNIONDAC	Q2'14	517	420	23.26	41	20	104	

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