



On CBN’s Second Quarter Economic Report.....

The Central Bank of Nigeria released its second Quarter economic report on 10th of October 2014. Total revenue collected by the federal government stood at N2.60trillion representing an increase of 4.3 percent above first quarter receipts and a decline of 4.3 percent, below the quarterly budgeted estimate.

Oil receipts which constitute 69.0 percent of the total revenue exceeded the budgeted estimate marginally by 0.2 percent but declined by 0.70 percent when compared to receipts in the preceding quarter. The increase in oil receipts relative to the budgeted estimate was attributed to rise in the oil revenues during the review period.

Non-oil receipts stood at N806.45billion, falling below the budgeted estimate by 13.10percent but was 17.40 percent above the receipts in the preceding quarter. FGN retained revenue was N865.15billion while total expenditure was N1.19trillion, amounting to a deficit of N329.37billion in the second quarter of 2014.

Going forward, we anticipate a plunge in the revenue of the federal government premised on declining oil prices at the international market.

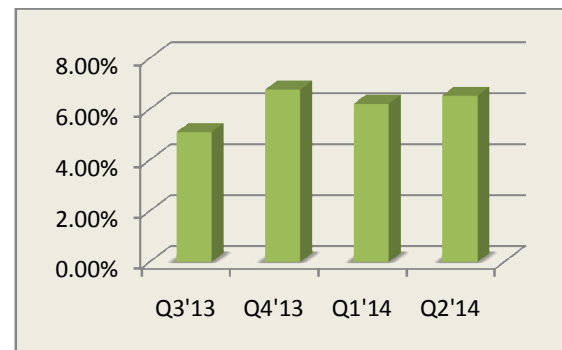
September inflation rate down 20bps to 8.30%.....

According to data released by the National Bureau of Statistics, Consumer Price Index(CPI) which measures inflation came in at 8.30 percent for September representing a decline of 20bps from 8.50 percent seen in August. The ease in September inflation was attributed to a decline in all divisions which contribute to the headline index.

Inflation trend

Month	Rate (%)
March	7.80
April	7.90
May	8.00
June	8.20
July	8.30
August	8.50
September	8.30

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%.
- August Inflation rate up 20bps to 8.50%.
- Interbank lending rates firmed up to an average of 12.94% for the week.

FIXED INCOME REPORT

- **Local Currency**

Market liquidity levels remained relatively stable, Open buy back (OBB) and Overnight (O/N) rates opened at 10.29% and 10.54% respectively. However, OBB edged to close at 10.42% while O/N remained flat at 10.54%.

- **Bonds/Treasury bills**

Mixed trading was witnessed at the bond OTC space; the bear ruled the first trading day of the week with the bulls taking over in anticipation of the monthly FGN bond auction. The bear returned afterwards as yields traded between 12.8% to 13.10% across tenor buckets. However, position taking was seen at the close of trading as investors sought to take advantage of current high yield levels. The bear trend continued at the treasury bills OTC space owing to sell off from foreign portfolio investors amid speculation of improved yield levels in their domestic market.

In line with monetary tightening, the apex bank offered ₦90.0billion worth of OMO bill ranging from 161 to 164 days; however ₦141.10billion were sold at the uniform discount stop rate of 11.0% while total subscription stood at ₦177.95billion.

At the FGN monthly primary auction, ₦73.612billion 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 11.49%, 12.232% and 12.299% against 12.14%, 12.79% and 12.699% at the previous auction while total subscription stood at ₦116.31billion as against ₦108.99billion. In addition, ₦10.33 billion of the 14.20% FGN MAR 2024 was allotted on non-competitive basis.

- **Outlook for the coming week**

In the week ahead, we expect the issuance of 91,182 and 364 day treasury bills worth ₦96.28billion. However, market liquidity is expected to be fuelled by maturing treasury and OMO bills worth ₦273.24billion.

OMO Auction

Auction Date	13/10/2014	16/10/2014
Tenor	164 Day	161 Day
Auction	OMO	OMO
Maturity Date	26/03/2015	26/03/2015
Total Subscription	90,725,170,000.00	87,217,659,000.00
Total Successful	71,741,200,000.00	69,364,359,000.00
Range Bid	10.8000 - 12.5000	10.9000-12.5000
Successful Bid Rates	10.8000 - 11.0000	10.9000-11.0000
Description	Issue	Issue
Rate	11.00	11.00
Amt offered	40,000,000,000.00	50,000,000,000.00

FGN Primary Bond Auction

	13.05% FGN AUG 2016	14.20% FGN MAR 2024	12.1493% FGN JUL 2034
Auction Date:	October 15, 2014	October 15, 2014	October 15, 2014
Settlement Date:	October 17, 2014	October 17, 2014	October 17, 2014
Maturity Dates:	August 16, 2016	March 14, 2024	July 18, 2034
Tenors:	3-Year	10-Year	20-Year
Term-To-Maturity:	1 Year, 10 Months	9 Years, 5 Months	19 Years, 9 Months
Amount Offered:	18.612 billion	30.00 billion	25.00 billion
Total Bids:	73	58	21
Successful Bids:	21	48	44
Subscription:	46.36 billion	40.30 billion	29.65 billion
Amount Allotted:	18.612 billion	30.00 billion	25.00 billion
Range of Bids:	10.0000% - 13.5000%	12.0000% - 14.0000%	12.0000% - 13.1459%
Marginal Rates:	12.1400%	12.7900%	12.6990%



Description	Maturity Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
4.00 23-APR-2015	23-Apr-15	11.75	11.43	96.22	96.37
13.05 16-AUG-2016	16-Aug-16	12.71	12.61	100.50	100.65
15.10 27-APR-2017	27-Apr-17	12.86	12.79	104.70	104.85
9.85 27-JUL-2017	27-Jul-17	12.91	12.84	93.00	93.15
9.35 31-AUG-2017	31-Aug-17	12.91	12.84	91.65	91.80
10.70 30-MAY-2018	30-May-18	12.90	12.79	93.77	94.07
16.00 29-JUN-2019	29-Jun-19	12.85	12.77	110.80	111.10
7.00 23-OCT-2019	23-Oct-19	12.88	12.78	78.76	79.06
16.39 27-JAN-2022	27-Jan-22	12.82	12.76	116.50	116.80
14.20 14-MAR-2024	14-Mar-24	12.84	12.78	107.30	107.60
15.00 28-NOV-2028	28-Nov-28	13.02	12.98	112.60	112.90
12.49 22-MAY-2029	22-May-29	13.04	12.99	96.41	96.71
8.50 20-NOV-2029	20-Nov-29	13.06	13.00	70.22	70.52
10.00 23-JUL-2030	23-Jul-30	12.95	12.89	80.35	80.65
12.1493 18-JUL-2034	18-Jul-34	12.89	12.84	94.70	95.00

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)	Bid Yield(%)
30-Oct-14	10.60	10.35	10.64
6-Nov-14	11.00	10.75	11.07
13-Nov-14	11.00	10.75	11.09
20-Nov-14	10.80	10.55	10.91
27-Nov-14	11.00	10.75	11.14
4-Dec-14	10.80	10.55	10.96
11-Dec-14	10.90	10.65	11.08
25-Dec-14	11.15	10.90	11.39
1-Jan-15	11.15	10.90	11.42
8-Jan-15	11.20	10.95	11.49
15-Jan-15	11.00	10.75	11.31
22-Jan-15	11.00	10.75	11.33
29-Jan-15	11.15	10.90	11.52
5-Feb-15	11.15	10.90	11.54
12-Feb-15	11.10	10.85	11.51
19-Feb-15	11.00	10.75	11.43
26-Feb-15	11.10	10.85	11.56
5-Mar-15	11.20	10.95	11.70
12-Mar-15	11.00	10.75	11.51
26-Mar-15	10.85	10.60	11.39
9-Apr-15	11.20	10.95	11.83
23-Apr-15	11.10	10.85	11.77
7-May-15	10.45	10.20	11.09
6-Aug-15	11.05	10.80	12.13
3-Oct-15	10.00	10.00	12.00

The Equities Market

Sell pressure drags index down 5.55%.....

The local bourse posted its highest weekly loss in over eight months on increased sell pressure as investors take flight to safety. Specifically, the index slumped 5.55 percent this week to settle at 38,197.73 compared to a loss of 1.60 percent witnessed previously. Consequently, market capitalization declined by N741.94billion to close at N12.61trillion.

Decline in activity level.....

Market turnover by way of volume traded for the week declined 39.26% as investors staked N23.73billion on 1.88billion shares in 24,705 deals compared to 1.35billion shares worth N14.47billion traded last week. The financial services sector accounted for 76.68% of market volume while FBN Holdings and Access Bank Plc boosted activity in the sector.

All sector indices closed lower.....

The NSE-BANKING index posted the highest loss for the second week running by a decline of 7.61% on negative posture in the shares of UBA, GTBANK and FBN Holding Plc; the NSE-IND.GOODS index slumped 6.90%; the NSE-OIL&GAS index was down 6.78% while the NSE-CON.GOODS index and the NSE-INSURANCE index lost 5.79% and 0.29% respectively. .

Market breadth sustains negative posture.....

Market breadth closed negative for the week with 11 equities advancing in price and 61 others declining. Top gainers for the week includes: 7UP 10.24%, IKEJAHOTEL 8.65%, ACADEMY 4.55%, UPDCREIT 3.69% and RTBRISCOE 3.49%. Conversely, UBA led the losers table with a decline of 16.69%, TRANSCORP 14.57%, OANDO 14.40%, SEPLAT 14.26% and CAVERTON 13.64% bring market year to date return to -7.58%.

Weekly Statistics

	17/10/2014	10/10/2014	Change
ASI	38,197.73	40,444.39	(5.55%)
CAP	₦12.61tn	₦13.35tn	(₦741.94bn)
VOLUME	1.88bn	1.35bn	(39.26%)
VALUE	₦23.73bn	₦14.47bn	(63.99%)
DEALS	24,705	14,677	(68.32%)

Top Gainers

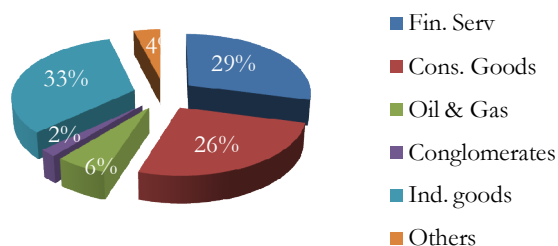
Symbol	Previous	Current	Return
7UP	₦147.73	₦162.86	10.24%
IKEJAHOTEL	₦2.66	₦2.89	8.65%
ACADEMY	₦1.32	₦1.38	4.55%
UPDCREIT	₦8.68	₦9.00	3.69%
RTBRISCOE	₦0.86	₦0.89	3.49%
MAYBAKER	₦1.74	₦1.80	3.45%
INTBREW	₦30.50	₦31.50	3.28%
COURTVILLE	₦0.52	₦0.53	1.92%
STERLNBANK	₦2.32	₦2.35	1.29%
HONYFLOUR	₦3.83	₦3.85	0.52%

Top Losers

Symbol	Previous	Current	Return
UBA	₦6.35	₦5.29	(16.69%)
TRANSCORP	₦5.49	₦4.69	(14.57%)
OANDO	₦25.00	₦21.40	(14.40%)
SEPLAT	₦639.50	₦548.31	(14.26%)
CAVERTON	₦4.84	₦4.18	(13.64%)
ROYALEX	₦0.59	₦0.51	(13.56%)
WAPCO	₦127.99	₦111.06	(13.23%)
DANGSUGAR	₦8.10	₦7.05	(12.96%)
LIVESTOCK	₦3.08	₦2.70	(12.34%)
PORTPAINT	₦5.50	₦4.84	(12.00%)

	17/10/2014	10/10/2014	Change
NSE-30	1,728.41	1,844.59	(6.30%)
NSE-Banking	384.31	415.96	(7.61%)
NSE-Insurance	145.33	145.75	(0.29%)
NSE-Consumer goods	960.20	1,019.20	(5.79%)
NSE-Oil&Gas	420.28	450.87	(6.78%)
NSE-Industrial goods	2,535.90	2,723.85	(6.90%)

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	16,117.24	16,544.10	-2.58%
FTSE	6,258.94	6,339.97	-1.28%
NIKKEI	14,532.51	15,300.55	-5.02%
S.AFRICA	47,833.90	47,092.24	1.57%
BRAZIL	54,955.83	55,311.59	-0.64%
INDIA	7,779.70	7,859.95	-1.02%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
CCNN	₦14.00	(6.67%)	1,588	H1'14	91.00%	N/A	₦1.26	₦15.75
NPFMCRFBK	₦0.94	(6.00%)	338	H1'14	33.93%	₦2.60	₦0.15	₦1.12
DANGSUGAR	₦7.05	(12.96%)	6,835	H1'14	-2.54%	₦12.58	₦0.57	₦12.27
FIDSON	₦3.33	(2.06%)	310	H1'14	4.09	₦4.62	₦0.21	₦3.69
ETI	₦18.25	(3.44%)	31,629	H1'14	14.90%	₦25.00	₦1.98	₦19.00
ASHAKACEM	₦30.68	(4.13%)	3,518	H1'14	204.19%	₦38.00	₦1.57	₦34.17
AFRIPRUD	₦3.08	(6.10%)	551	H1'14	14.19%	₦4.27	₦0.28	₦4.10
ZENITH	₦21.40	(6.14%)	47,445	H1'14	8.26%	₦30.98	₦1.51	₦27.40
UBCAP	₦1.92	(6.34%)	1,245	H1'14	23.55%	₦3.90	₦0.21	₦2.91

Earnings Update

Symbol	Period	Turnover (₦'m)			Profit (₦'m)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
BERGER	9M'14	1,817	1,921	-5.37	109	154	-29.17	
CAP	9M'14	5,054	4,412	14.53%	1,128	946	19.27	
WEMABANK	9M'14	31,600	26,322	20.05	2,130	479	344.61	
FORTE	9M'14	122,580	122,580	33.06	4,015	2,737	46.72	
IKEJAHOTEL	H1'14	2,730	3,207	-14.87	(41)	527	-107.88	
IKEJAHOTEL	Q1'14	1,522	1,597	-4.68	170	233	-26.71	
NIGROPE	H1'14	188	129	45.51	(71)	(97)	-27.21	
ACCESS	9M'14	181,798	155,026	17.27	35,346	27,597	28.08	
PZ	Q1'14	15,019	15,066	-0.31	641	920	-30.31	
IKEJAHOTEL	Q1'14	2,730	3,207	-14.87	(41)	527	-107.88	
INFINITY	9M'14	509	392	29.62	173	129	33.67	
UNITYBANK	9M'14	48,140	45,395	6.00	11,057	1,153	859	
TOURIST	FY'14	3,386	3,458	-2.09	(602)	125	-581.84	

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