



**GDP growth rate.....**

The National Bureau of Statistics released Q1'14 GDP figures during the week which saw a 6.21 percent growth, up from 4.45 percent in the corresponding quarter of 2013. When compared to Q4'13, a 0.56 percent QOQ decline was recorded. The non-oil sector was the major driver of growth with an 8.21 percent increase in the first quarter while the oil sector recorded a 6.60 percent decline within the same period.

**Inflation Rate.....**

Consumer Price Index (CPI) which measures inflation came in at 8.20 percent for June, up 20bps from 8.00 percent in May according to data released by the National Bureau of Statistics. Headline inflation has been on a steady rise since February when it fell to its five year low at 7.7 percent.

The hike was attributed to an increase in all divisions that contribute to the index. Food sub-index for instance rose to 9.8 percent from 9.7 percent while the Core sub-index (all items less farm produce) increased at a faster pace in June when compared to May.

We anticipate continued inflationary pressures as we approach the election season. Our projection for the year remains at 9.50 percent.

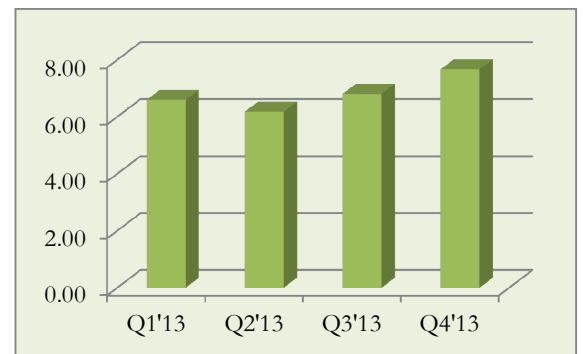
**Interbank lending rates.....**

Interbank lending rates rose to an average of 12.72 percent this week from 12.60 percent last week on sale of N100billion worth of bonds which off-set the payment of N114.86billion worth of maturing bills into the system on Thursday. The overnight rate rose 0.09 percent to 10.63 percent while the 3-month and 6-month rates were up 1.52percent and 0.56 percent to 13.39 percent and 14.34 percent respectively.

**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 firmed up to an average of 12.72% for the week.



## **FIXED INCOME REPORT**

- Local Currency

Mixed trading at the Interbank market as open buy back (OBB) and over night (O/N) rates opened at an average of 10.67% and 10.88% respectively, However, the interbank rates inched owing to FX RDAS settlement and FGN monthly bond auction. Redemption of OMO paper eased interbank OBB and O/N rates to close at 10.42% and 10.63% respectively.

- Bonds/Treasury Bills

At the OTC market space, choppy market trend was witnessed in anticipation of the FGN bond primary auction. However, appetite for FGN bond improved with interest tilting towards short term instruments.

At the FGN monthly primary auction, ₦65billion worth of 13.05% FGN AUG 2016 (3year Re-opening) and 14.20% FGN MAR 2024 (10year Re-opening) were offered and were sold at the marginal rates of 11.0% and 12.194% against 11.36% and 12.25% at the previous auction. However, ₦35billion worth of 20year new issue was offered and sold at a marginal rate of 12.1493%. Total subscription stood at ₦263.91billion. In addition ₦4.981billion of 14.2% March 2024 was allotted on non competitive basis.

### **Outlook for the coming week**

In the week ahead, we expect Treasury Bills and OMO redemption totaling ₦134.89billion to improve market liquidity. However, the Apex bank is expected to issue 91, 182 and 364 day treasury paper worth ₦134.89billion.

### **AUCTION RESULTS FOR THE WEEK**

<b>Auction Date</b>	<b>16/07/2014</b>	<b>16/07/2014</b>	<b>16/07/2014</b>
<b>Security Type</b>	FGN Bonds	FGN Bonds	FGN Bonds
<b>Tenor</b>	3 Year	10 Year	20 Year
<b>Auction No</b>	13.05% FGN AUG 2016	14.20% FGN MAR 2024	12.14% FGN JUL 2034
<b>Maturity Date</b>	16/08/2016	14/03/2024	18/07/2034
<b>Total Subscription</b>	47.87	114.58	101.46
<b>Total Successful</b>	15	50	35
<b>Range Bid</b>	10.0000 - 13.0500	11.1981 - 13.5000	11.5000 - 14.0000
<b>Successful Bid Rates</b>	10.0000 - 11.0000	11.1981 - 12.1940	11.5000 - 12.1493
<b>Rate</b>	11	12.194	12.1493
<b>Amt offered</b>	15	50	35

### **Closing Prices**

<b>NIBOR</b>	
<b>Tenor</b>	<b>Rate (%)</b>
<b>O/N</b>	10.6250
<b>1M</b>	12.5055
<b>3M</b>	13.3937
<b>6M</b>	14.3374

<b>Treasury Bills</b>			
<b>Maturity</b>	<b>Bid Discount (%)</b>	<b>Offer Discount (%)</b>	<b>Bid Yield (%)</b>
31-Jul-14	10.15	9.90	10.19
7-Aug-14	10.10	9.85	10.16
14-Aug-14	10.30	10.05	10.38
21-Aug-14	10.30	10.05	10.40
28-Aug-14	10.40	10.15	10.52
4-Sep-14	10.60	10.35	10.75
11-Sep-14	10.60	10.35	10.77
18-Sep-14	10.65	10.40	10.85
25-Sep-14	10.55	10.30	10.76
2-Oct-14	10.60	10.35	10.84
9-Oct-14	10.50	10.25	10.76
16-Oct-14	10.60	10.35	10.88
23-Oct-14	10.45	10.20	10.75
30-Oct-14	10.60	10.35	10.93
6-Nov-14	10.60	10.35	10.95
13-Nov-14	10.55	10.30	10.92
20-Nov-14	10.60	10.35	11.00
4-Dec-14	10.50	10.25	10.94
8-Jan-15	10.35	10.10	10.89
22-Jan-15	10.30	10.05	10.88
5-Feb-15	10.35	10.10	10.98
19-Feb-15	10.35	10.10	11.03
5-Mar-15	10.35	10.10	11.07
9-Apr-15	9.90	9.65	10.67
23-Apr-15	10.05	9.80	10.89
7-May-15	9.95	9.70	10.81

<b>FGN Bonds</b>					
<b>Description</b>	<b>Maturity Date</b>	<b>Bid Yield (%)</b>	<b>Offer Yield (%)</b>	<b>Bid Price</b>	<b>Offer Price</b>
9.25 28-SEP-2014	28-Sep-14	10.90	10.14	99.63	99.78
4.00 23-APR-2015	23-Apr-15	10.79	10.06	95.13	95.63
13.05 16-AUG-2016	16-Aug-16	11.13	11.05	103.45	103.60
15.10 27-APR-2017	27-Apr-17	11.18	11.11	109.10	109.25
9.85 27-JUL-2017	27-Jul-17	11.13	11.01	96.79	97.09
9.35 31-AUG-2017	31-Aug-17	11.13	11.01	95.39	95.69
10.70 30-MAY-2018	30-May-18	11.17	11.07	98.52	98.82
16.00 29-JUN-2019	29-Jun-19	11.29	11.22	117.45	117.75
7.00 23-OCT-2019	23-Oct-19	11.30	11.22	83.25	83.55
16.39 27-JAN-2022	27-Jan-22	11.93	11.87	121.75	122.05
14.20 14-MAR-2024	14-Mar-24	12.20	12.15	111.15	111.45
15.00 28-NOV-2028	28-Nov-28	12.18	12.14	118.85	119.15
12.49 22-MAY-2029	22-May-29	12.19	12.14	102.02	102.32
8.50 20-NOV-2029	20-Nov-29	12.19	12.14	74.63	74.93

## The Equities Market

### **The bulls re-emerge.....index up 14bps**

Equity transactions closed the week positive, reversing loses recorded last week on improved market sentiment. The index was up 0.14% to close at 42,891.82 as against a 0.46% decline witnessed the previous week. Similarly, market capitalization firmed up by N19.48billion to close at N14.16trillion.

### **Marginal decline in turnover.....**

Market volume traded for the week declined 2.99% as investors staked N19.90billion on 1.77billion shares exchanged in 25,974 deals compared to 1.83billion shares worth N19.39billion traded previously. Turnover for the week was driven by activity in the financial services sector which accounted for over 70% of trades.

### **Profit taking in the Oil&Gas sector.....**

All sector indices under our coverage closed positive but for the NSE-OIL&GAS index which declined 1.79% on profit taking in the shares of Oando, Eterna and Conoil Plc.

The NSE-IND.GOODS index posted the highest return by 2.28%, boosted by Wapco Plc and Ashakacem; the NSE-INSURANCE index trailed with a 1.50% gain while the NSE-CON.GOODS index and the NSE-BANKING index rose 0.58%.

### **Positive market breadth.....**

Market sentiment for the week was positive with 48 gainers and 32 losers. Top gainers include MOBIL 20.16%, WEMABANK 13.27%, NPFMCRFBK 12.24%, WAPCO 6.23% and MANSARD 5.95%.

On the flip side, OANDO led the losers chart by 10.68%, COSTAIN 8.03%, RTBRISCOE 7.89%, JBERGER 7.42% and NIGERINS 7.41%. Market year-to-date return now 3.78%.

## Weekly Statistics

	18/07/2014	11/07/2014	Change
ASI	42,891.82	42,832.82	0.14%
CAP	₦14.16tn	₦14.14tn	₦19.48bn
VOLUME	1.77bn	1.83bn	(2.99%)
VALUE	₦19.90bn	₦19.39bn	2.63%
DEALS	25,974	26,521	(2.06%)

## Top Gainers

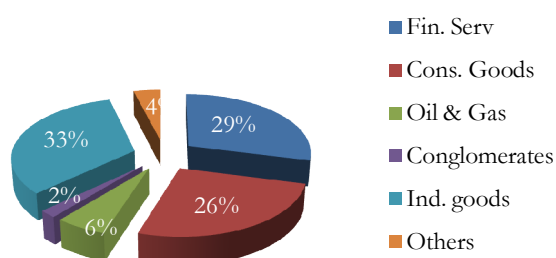
Symbol	Previous	Current	return
MOBIL	₦135	₦162.22	20.16%
WEMABANK	₦0.98	₦1.11	13.27%
NPFMCRFBK	₦0.98	₦1.10	12.24%
WAPCO	₦112.03	₦119.01	6.23%
MANSARD	₦2.52	₦2.67	5.95%
FIDSON	₦3.00	₦3.16	5.33%
TOTAL	₦171.05	₦180.00	5.23%
PAINTCOM	₦1.40	₦1.47	5.00%
PZ	₦36.75	₦38.50	4.76%
WAPIC	₦0.86	₦0.90	4.65%

## Top Losers

Symbol	Previous	Current	return
OANDO	₦27.99	₦25.00	(10.68%)
COSTAIN	₦1.37	₦1.26	(8.03%)
RTBRISCOE	₦1.14	₦1.05	(7.89%)
JBERGER	₦68.05	₦63.00	(7.42%)
NIGERINS	₦0.54	₦0.50	(7.41%)
NASCON	₦11.40	₦10.72	(5.96%)
CONOIL	₦65.60	₦62.32	(5.00%)
UPDCREIT	₦10.47	₦9.95	(4.97%)
DNMEYER	₦1.26	₦1.20	(4.76%)
TRIPPLEGEE	₦1.97	₦1.88	(4.57%)

	18/07/2014	11/07/2014	Change
<b>NSE-30</b>	1,948.74	1,945.69	0.16%
<b>NSE-Banking</b>	438.71	438.08	0.14%
<b>NSE-Insurance</b>	150.41	148.19	1.50%
<b>NSE-Consumer goods</b>	1,059.78	1,053.69	0.58%
<b>NSE-Oil&amp;Gas</b>	469.09	477.63	(1.79%)
<b>NSE-Industrial goods</b>	2,767.11	2,705.31	2.28%

### Market cap by sectors



### Global Markets

Market	Current	Previous	Week rtn
DJIA	16,976.81	16,873.89	0.61%
FTSE	6,721.39	6,672.37	0.73%
NIKKEI	15,370.26	15,164.04	1.36%
S.AFRICA	51,789.74	51,160.84	1.23%
BRAZIL	55,717.36	54,846.68	1.59%
INDIA	7,663.90	7,459.60	2.74%

### TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
<b>ETI</b>	₦16.85	-2.15%	14,922	Q1'14	15.74%	₦25.00	0.78	₦17.99
<b>ASHAKACEM</b>	₦33.03	6.55%	1,919	Q1'14	69.45%	₦38.00	0.86	₦34.17
<b>ACCESS</b>	₦9.80	0.00%	11,626	Q1'14	25.02%	₦11.65	0.51	₦11.79
<b>AFRIPRUD</b>	₦3.45	2.37%	213	Q1'14	22.04%	₦4.27	0.11	₦4.10
<b>BERGER</b>	₦9.00	0.00%	48	Q1'14	59.44%	₦9.86	0.17	₦11.38
<b>DANGSUGAR</b>	₦9.30	2.09%	3,758	Q1'14	8.83%	₦12.58	0.31	₦12.85
<b>ZENITH</b>	₦25.22	-0.32%	23,677	Q'14	1.15%	₦30.98	0.75	₦27.40
<b>UACN</b>	₦62.12	-0.45%	1,970	Q1'14	48.68%	N/A	1.03	₦71.20
<b>UBCAP</b>	₦2.27	0.00%	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	
LawUnion	Q1'14	1,760	1,193	47.53	193	52	266.65	
LawUnion	FY'13	3,443	4,163	(17.29)	485	(1,337)	-133.30	
Infinity	H1'14	371	236	56.97	143	66	116.90	
Sovereign	FY'13	8,673	7,742	12.02	346	1,476	(76.50)	
NigerIns	FY'13	10,443	10,330	1.09	4,759	3,488	36.45	3.5kobo
Continsure	Q1'14	4,079	3,259	25.14	606	632	(4.00)	
NPFMCRFBK	H1'14	1,013	841	20.41	338	252	33.93	
Continsure	FY'13	13,848	11,946	15.92	1,586	1,732	(8.46)	11kobo
UnivPress	FY'14	2,438	2,312	5.43	233	260	(10.27)	35kobo
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	

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