



Inflation Rate.....

The National Bureau of Statistics released inflation figures for May on Monday June 16, 2014. Consumer Price Index (CPI) which measures inflation came in at 8.00 percent, an increase of 10bps from 7.90 percent in April.

This was attributed to a hike in the prices of goods like bread, cereal, fish, dairy, fruits and vegetable groups. Consequently, food inflation rose to 9.70 percent from 9.40 percent in April. However, food prices were weighed down by relatively slower increase in the Meat, Oil and Fat, Yam and other Tuber Classes.

We anticipate a steady rise in inflation on election related spending coupled with pressures from higher cost of goods following the crisis in the northern parts of the country. Our projection for the year remains at 9.50%.

Reserve Movement.....

Nigeria’s external reserves firmed up by \$53.34million to close at \$37.09billion as at Thursday June 19, 2014. This represents an improvement of 0.14 percent when compared to its previous week’s close at \$37.04billion and gives a year-to-date decline of 14.95% when compared to its Dec 31, 2013 close at \$43.61billion.

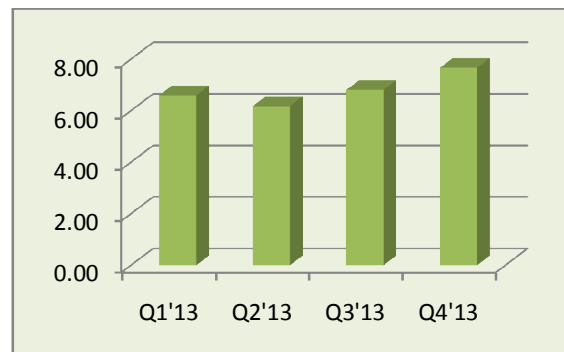
Exchange Rate.....

The local currency strengthen by 12bps against the US Dollar to close at N162.90/\$ compared to N163.10/\$ for the previous week. We anticipate renewed pressure on the Naira in the coming months despite efforts by the apex bank in stabilising the local currency.

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 rose across tenor buckets except the Over Night and 6 months that declined

FIXED INCOME REPORT

- **Local Currency**

Interbank open buy back (OBB) and over night (O/N) rates opened at an average rate of 11.04% and 11.25% respectively and dipped to close at the average rate 10.29% and 10.54% owing to redemption of matured OMO and Treasury bills as well as FAAC allocation to the three tiers of government.

- **Bonds/Treasury Bills**

Muted sessions were perceived at both the Bond and Treasury bills OTC space during the week as investors remain cautious at the current prices. At the Treasury bills Primary Market Auction, subscription stood at ₦404.34billion as against ₦304.38billion at the previous auction. ₦33.27billion worth of the 91day-bill was offered and sold at the discount rate of 9.99%, however ₦65.03billion and ₦70.0billion worth of 182day and 364day bill were offered while ₦50.03billion and ₦85billion were sold at the discount rates of 10.38% and 10.3973% respectively as against 10.45% and 10.49% at the previous auction.

- **Outlook for the coming week**

In the week ahead, we expect NTB and OMO redemption totalling ₦253.71billion to improve market liquidity. However, we expect monetary tightening from the Apex bank.

- **AUCTION RESULTS FOR THE WEEK**

Auction Date	18/06/2014	18/06/2014	18/06/2014
Tenor	91	182	364
Auction	Primary Market	Primary Market	Primary Market
Maturity Date	18/09/2014	18/12/2014	18/06/2015
Total Subscription	59459.459	110594.489	234286.758
Total Successful	33266.324	50029.27	85000
Range Bid	9.0000 - 11.5000	9.4600 - 12.1198	9.0000 - 12.6898
Successful Bid Rates	9.0000 - 9.9900	9.4600 - 10.3800	9.0000 - 10.3973
Rate	9.99	10.38	10.3973
True Yield	10.2452	10.9466	11.6001
Amt offered	33266.324	65029.27	70000

- **OMO**

Auction Date	19/06/2014
Security Type	OMO
Auction No	19/06/2014-105 Day
Auction	OMO
Maturity Date	02/10/2014
Total Subscription	229641.55
Total Successful	161988.89
Range Bid	10.5500 - 10.9000
Successful Bid Rates	10.5500 - 10.7500
Rate	10.75
True Yield	11.093
Amt offered	30000

- **FGN Bonds**

Description	Maturity Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
9.20 29-JUN-2014	29-Jun-14	10.40	4.58	99.96	100.11
9.25 28-SEP-2014	28-Sep-14	10.87	10.32	99.51	99.66
4.00 23-APR-2015	23-Apr-15	10.99	10.33	94.51	95.01
13.05 16-AUG-2016	16-Aug-16	11.68	11.61	102.50	102.65
15.10 27-APR-2017	27-Apr-17	11.70	11.64	108.00	108.15
9.85 27-JUL-2017	27-Jul-17	11.64	11.52	95.43	95.73
9.35 31-AUG-2017	31-Aug-17	11.64	11.52	94.01	94.31
10.70 30-MAY-2018	30-May-18	11.62	11.52	97.14	97.44
16.00 29-JUN-2019	29-Jun-19	11.67	11.60	116.10	116.40
7.00 23-OCT-2019	23-Oct-19	11.67	11.58	81.79	82.09
16.39 27-JAN-2022	27-Jan-22	12.21	12.15	120.30	120.60
14.20 14-MAR-2024	14-Mar-24	12.28	12.23	110.70	111.00
15.00 28-NOV-2028	28-Nov-28	12.75	12.71	114.65	114.95
12.49 22-MAY-2029	22-May-29	12.80	12.76	97.90	98.20
8.50 20-NOV-2029	20-Nov-29	12.86	12.80	71.04	71.34
10.00 23-JUL-2030	23-Jul-30	12.99	12.94	80.00	80.30

- **Treasury Bills**

DTM	Maturity	Bid Discount (%)	Offer Discount (%)
13	3-Jul-14	10.30	10.05
20	10-Jul-14	8.00	7.75
27	17-Jul-14	10.20	9.95
34	24-Jul-14	10.10	9.85
41	31-Jul-14	10.20	9.95
48	7-Aug-14	10.00	9.75
55	14-Aug-14	10.25	10.00
62	21-Aug-14	10.20	9.95
69	28-Aug-14	10.30	10.05
76	4-Sep-14	10.30	10.05
83	11-Sep-14	10.70	10.45
90	18-Sep-14	10.45	10.20
97	25-Sep-14	10.50	10.25
104	2-Oct-14	10.75	10.50
111	9-Oct-14	10.65	10.40
118	16-Oct-14	10.75	10.50
153	20-Nov-14	10.30	10.05
167	4-Dec-14	10.35	10.10
202	8-Jan-15	10.30	10.05
216	22-Jan-15	10.60	10.35
230	5-Feb-15	10.40	10.15
244	19-Feb-15	10.60	10.35
258	5-Mar-15	10.40	10.15
293	9-Apr-15	10.30	10.05
307	23-Apr-15	10.45	10.20
321	7-May-15	10.20	9.95

The Equities Market

Sell pressure persists.....index down 93bps

The equities market extended its losing streak for the second consecutive week on profit taking, as investors' cashed in on previous gains. In total, the index lost 0.93% to close at 41,129.27 compared to a 0.03% loss witnessed the previous week. Likewise, market capitalization declined N128.06billion to settle at N13.58trillion.

Marked decline in activity level.....

Investors traded 1.53billion shares worth N20.08billion in 26,820 deals, representing a decline of 44.06% as against 2.73billion shares valued at N22.16billion traded the previous week. The financial services sector emerged the most traded for the week accounting for 63.7% of market volume, boosted by activity in the shares of Wapic Insurance and Gtbank Plc.

Positive sentiment in Oando favours Oil&Gas.....

The NSE-OIL&GAS index led the sector performance chart, posting a return of 14.95% on positive posture in the shares of Oando and MRS Plc; the NSE-INSURANCE index was up 1.68% while the NSE-IND.GOODS index rose 0.20%. On the contrary, the NSE-BANKING index was down 4.96%, on sell pressure from Diamond and Zenith bank Plc while the NSE-CON.GOODS index declined 2.20%.

Market sentiment closed negative.....

In the review week, market breadth closed negative with 33 equities advancing in price and 44 others declining. On the price movement chart, OANDO led gainers by 53.85%, MRS 33.33%, CAVERTON 26.31%, TRANSCORP 13.99% and JAPAU 12.00%. Conversely, CHAMPION topped the losers chart, losing 14.11%, RTBRISCOE 9.82%, CWG 9.67%, GUARANTY 7.77% and PRESTIGE 7.41%. Market ytd return now stands at -0.48%.

Weekly Statistics

	20/06/2014	13/06/2014	Change
ASI	41,129.27	41,517.10	(0.93%)
CAP	N13.58tn	N13.71tn	(N128.06bn)
VOLUME	1.53bn	2.73bn	(44.06%)
VALUE	N20.08bn	N22.16bn	(9.40%)
DEALS	26,820	26,074	2.85%

Top Gainers

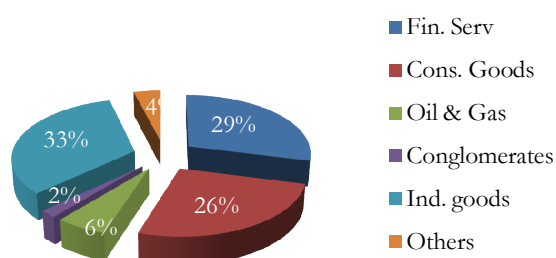
Symbol	Previous	Current	return
OANDO	N20.00	N30.37	51.85%
MRS	N48.00	N64.00	33.33%
CAVERTON	N4.98	N6.29	26.31%
TRANSCORP	N4.29	N4.89	13.99%
JAPAU	N0.50	N0.56	12.00%
COSTAIN	N1.28	N1.40	9.38%
REDSTAREX	N4.60	N4.98	8.26%
AIICO	N0.82	N0.88	7.32%
ASHAKACEM	N27.01	N28.90	6.99%
MANSARD	N2.50	N2.65	6.00%

Top Losers

Symbol	Previous	Current	return
CHAMPION	N13.11	N11.26	(14.11%)
RTBRISCOE	N1.12	N1.01	(9.82%)
CWG	N5.48	N4.95	(9.67%)
GUARANTY	N31.26	N28.83	(7.77%)
PRESTIGE	N0.54	N0.50	(7.41%)
EVANSMED	N2.70	N2.52	(6.67%)
ZENITHBANK	N25.30	N23.80	(5.93%)
LEARNAFRCA	N1.71	N1.61	(5.85%)
CONOIL	N72.73	N68.60	(5.68%)
WAPIC	N0.76	N0.72	(5.26%)

	20/06/2014	13/06/2014	Change
NSE-30	1,869.95	1,902.04	(1.69%)
NSE-Banking	426.47	448.71	(4.96%)
NSE-Insurance	146.76	144.33	1.68%
NSE-Consumer goods	1,010.62	1,033.36	(2.20%)
NSE-Oil&Gas	504.83	439.16	14.95%
NSE-Industrial goods	2,576.09	2,570.85	0.20%

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	16,945.71	16,776.74	1.01%
FTSE	6835.1	6,777.85	0.84%
NIKKEI	15349.42	15,097.84	1.67%
S.AFRICA	51361.16	50,763.71	1.18%
BRAZIL	54,677.08	54,806.64	-0.24%
INDIA	7511.45	7,542.10	-0.41%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
ASHAKA	N28.90	6.99%	1,919	Q1'14	69.45%	N38.00	0.86	N28.95
ACCESS	N9.80	0.00%	11,626	Q1'14	25.02%	N11.65	0.51	N11.79
AFRIPRUD	N3.20	0.31%	213	Q1'14	22.04%	N/A	0.11	N4.10
BERGER	N9.00	0.00%	48	Q1'14	59.44%	N9.86	0.17	N11.38
DANGSUGAR	N9.60	1.05%	3,758	Q1'14	8.83%	N12.58	0.31	N12.85
ZENITH	N23.80	(5.93%)	23,677	Q'14	1.15%	N30.98	0.75	N27.40
UACN	N59.52	0.88%	1,970	Q1'14	48.68%	N/A	1.03	N71.20
CCNN	N11.00	3.48%	699	Q1'14	85.61%	N11.33	0.56	N12.80
UBCAP	N2.35	(2.08%)	503	Q1'14	0.22%	N/A	0.08	N2.91

Earnings Update

Symbol	Period	Turnover (N'm)			Profit (N'm)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
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	
RegencyAlliance	Q1'14	1,066	697	53.03	275	141	95.01	
EllahLakes	Q3'14	66	4	1389.93	(9)	(6)	-52.02	
NCR	Q1'14	1,474	1,640	-10.15	89.3	17.9	398.66	
NCR	FY'13	6,107	6,463	-5.51	(19.37)	(1,068)	98.18	
UnionDicon	FY'13	N/A	N/A	N/A	12	(20)	157.86	
UnionDicon	FY'12	N/A	N/A	N/A	(20)	(42)	51.64	
EkoCorp	Q1'14	305	277	10.17	58	36	59.91	

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