



Tough times ahead for OPEC member nations.....

Member nations of the Organization of the Petroleum Exporting Countries are faced with a likely cut in oil production following the continuous slide in crude oil prices. This can be attributed to the effects of a boom in US shale oil, coupled with warnings of slower demand growth in China. We anticipate a downward review in November, during the next OPEC meeting from the official production limit which currently stands at 30 million barrels a day. The Organization of Petroleum Exporting Countries control 40 percent of the world’s oil supply.

Impact on Nigeria’s economy.....

Consequent upon the discovery of shale oil in the US, Nigeria sourced for alternative buyers from Asia and China but worries have begun to mount on slower demand growth from the Chinese. The recent slide in Oil prices has seen a drop in revenue from the industry (at a time when the country is still battling crude oil theft and pipeline vandalism). Going by CBN’s records, Nigeria’s Bonny light crude sold for \$97.9 per barrel as at September 12, a decline of 12.51 percent from its peak at \$111.9 per barrel in May. Oil accounts for more than 80 per cent of Nigeria’s revenue and the continued slide in prices will impact negatively on Nigeria’s reserves. In August for instance, oil export revenue eased to N481.3bn from N483.5bn in July

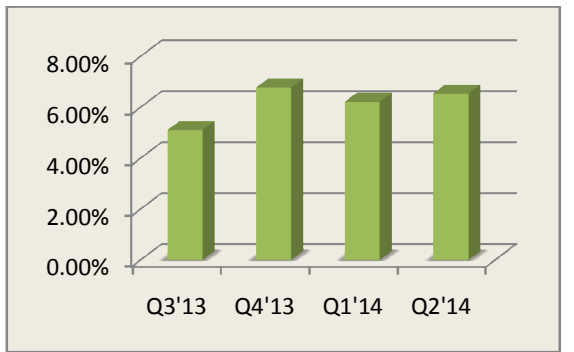
Interbank lending rates.....

Interbank lending rates firmed up marginally by 0.01 percent to an average of 12.45 percent compared to 12.44 percent seen last week despite payment of N58.76billion worth of maturing bills into the system on Thursday. Overnight rates declined 0.24 percent to 10.84 percent from 11.08 percent seen previously, while the 30-day, 90-day and 180-day rates declined by 0.12 percent, 0.15 percent and 0.02 percent to 12.13 percent, 12.99 percent, and 13.83 percent respectively.

Inflation trend

Month	Rate (%)
February	7.70
March	7.80
April	7.90
May	8.00
June	8.20
July	8.30
August	8.50

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 12.45% for the week.

FIXED INCOME REPORT

- **Local currency**

Market liquidity persisted while Open buy back (OBB) and Overnight (O/N) rates traded flat at 10.50% and 10.70% respectively.

- **Bonds/treasury bills**

Bear market were perceived at the OTC space owing to sell- off by both foreign portfolio investors and domestic portfolio investors. At the open market operation window for the week, a total of ₦140billion worth of OMO bill ranging from 154days to 157days were offered while ₦200.62billion were sold at the same marginal discount rate of 10.8%. Total subscription stood at ₦222.64billion.

At the Treasury bills Primary Market Auction, ₦21.54billion worth of the 91day-bill was offered and sold at the discount stop rate of 9.95% as against 9.58%, however ₦33.78billion and ₦59.08billion worth of 182day and 364day bill were offered and sold at the discount rates of 10.10% and 10.35%. Total subscription stood at ₦181.45billion.

- **Outlook for the coming week**

In the week ahead, we expect the redemption of OMO bill worth ₦308.79billion.

Auction Results

Auction Date	9/24/2014	9/24/2014	9/24/2014
Tenor	91	182	364
Auction	Primary Market	Primary Market	Primary Market
Maturity Date	12/25/2014	3/26/2015	9/24/2015
Total Subscription	23600.58	52679.69	105170.73
Total Successful	21538.34	33783.25	59081.14
Range Bid	9.0000 - 10.6000	9.8500 - 12.3452	9.8500 - 12.7189
Successful Bid Rates	9.0000 - 9.9500	9.8500 - 10.6356	9.8500 - 10.3500
Rate	9.95	10.1	10.35
True Yield	10.2031	10.6356	11.5412
Amt offered	21538.34	33783.25	59081.14

Auction Date	22/09/2014	25/09/2014
Tenor	157 Day	154 Day
Auction	OMO	OMO
Maturity Date	26/02/2015	26/02/2015
Total Subscription	152329.445	70311.261
Total Successful	130313.465	70311.261
Range Bid	10.8000 - 11.0000	10.8000 - 10.8000
Successful Bid Rates	10.8000 - 10.8000	10.8000 - 10.8000
Description	Issue	Issue
Rate	10.8	10.8
True Yield	11.3262	11.3156
Amt offered	70000	70000



FGN Bonds						
Description	Issue Date	Maturity Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
4.00 23-APR-2015	23-Apr-10	23-Apr-15	10.97	10.68	96.22	96.37
13.05 16-AUG-2016	16-Aug-13	16-Aug-16	11.94	11.85	101.80	101.95
15.10 27-APR-2017	27-Apr-12	27-Apr-17	11.88	11.82	106.95	107.10
9.85 27-JUL-2017	27-Jul-07	27-Jul-17	11.92	11.85	95.11	95.26
9.35 31-AUG-2017	31-Aug-07	31-Aug-17	11.92	11.85	93.79	93.94
10.70 30-MAY-2018	30-May-08	30-May-18	11.92	11.81	96.42	96.72
16.00 29-JUN-2019	29-Jun-12	29-Jun-19	11.90	11.83	114.50	114.80
7.00 23-OCT-2019	23-Oct-09	23-Oct-19	11.99	11.90	81.41	81.71
16.39 27-JAN-2022	27-Jan-12	27-Jan-22	12.33	12.27	119.20	119.50
14.20 14-MAR-2024	14-Mar-14	14-Mar-24	12.42	12.37	109.75	110.05
15.00 28-NOV-2028	28-Nov-08	28-Nov-28	12.45	12.41	116.74	117.04
12.49 22-MAY-2029	22-May-09	22-May-29	12.43	12.39	100.34	100.64
8.50 20-NOV-2029	20-Nov-09	20-Nov-29	12.42	12.36	73.52	73.82
10.00 23-JUL-2030	23-Jul-10	23-Jul-30	12.35	12.30	83.80	84.10
12.1493 18-JUL-2034	18-Jul-14	18-Jul-34	12.33	12.29	98.65	98.95

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)
9-Oct-14	10.45	10.20
16-Oct-14	10.60	10.35
23-Oct-14	10.50	10.25
30-Oct-14	10.45	10.20
6-Nov-14	10.60	10.35
13-Nov-14	10.60	10.35
20-Nov-14	10.50	10.25
27-Nov-14	10.80	10.55
4-Dec-14	10.35	10.10
11-Dec-14	10.80	10.55
25-Dec-14	10.70	10.45
1-Jan-15	10.85	10.60
8-Jan-15	10.50	10.25
15-Jan-15	10.85	10.60
22-Jan-15	10.40	10.15
29-Jan-15	10.85	10.60
5-Feb-15	10.50	10.25
12-Feb-15	10.80	10.55
19-Feb-15	10.40	10.15
26-Feb-15	10.80	10.55
5-Mar-15	10.70	10.45
9-Apr-15	10.30	10.05
23-Apr-15	10.40	10.15
7-May-15	10.25	10.00

The Equities Market

Sell pressure drags index down 56bps.....

Market indicators closed the week on a bearish note as sell pressure in the shares of Dangote Cement, Zenith and Access Bank Plc pulled the benchmark index down by 0.56 percent to settle at 40,819.72 as against an appreciation of 0.93 percent seen last week. Consequently, market capitalization shed N75.80billion to close at N13.48trillion.

Lull in activity level.....

The volume of equities traded for the week declined by 57.60% as investors exchanged 1.59billion shares valued at N26.92billion in 22,238 deals as against 3.75billion shares valued at N62.12billion traded previously. The financial services sector was the most active, accounting for 70.19% of market volume while UBA Capital Plc boosted activity in the sector.

Insurance sector leads performance.....

The NSE-INSURANCE index posted the highest positive return for the week by 3.65% primarily on gains seen in the shares of Mansard, Custody Insurance and Royal Exchange Plc while the NSE-OIL&GAS index and the NSE-CON.GOODS index rose 1.61% and 0.07% respectively. Conversely, the BANKING index shed 2.00% on sell pressure on the shares of Access and Union Bank Plc while the NSE-IND.GOODS index lost 0.28%.

Market breadth sustains negative posture.....

Market breadth closed negative for the week with 33 equities appreciating in price and 42 others declining. Top gainers for the week include: MAYBAKER 36.43%, AGLEVENT 16.67%, Contrarily, IKEJAHOTEL led the losers chart with a decline of 29.30%, TRANSEXPR 17.18%, JOSBREW 13.82%, LEARNAFRCA 12.50% and PREMBREW 9.57%. Market year to date return now stands at -1.23%.

Weekly Statistics

	26/09/2014	19/09/2014	Change
ASI	40,819.72	41,049.27	(0.56%)
CAP	₦13.48tn	₦13.56tn	(₦75.80bn)
VOLUME	1.59bn	3.75bn	(57.60%)
VALUE	₦26.92bn	₦62.12bn	(56.66%)
DEALS	22,238	22,109	0.58%

Top Gainers

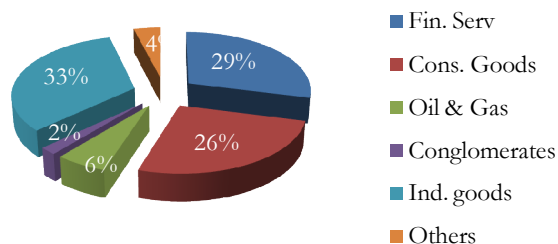
Symbol	Previous	Current	return
MAYBAKER	₦1.40	₦1.91	36.43 %
AGLEVENT	₦1.32	₦1.54	16.67%
MANSARD	₦2.58	₦3.00	16.28%
7UP	₦134.00	₦147.73	10.25%
CUSTODYINS	₦3.95	₦4.30	8.86%
GUINNESS	₦175	₦190	8.57%
VONO	₦1.44	₦1.56	8.33%
ROYALEX	₦0.51	₦0.55	7.84%
CHAMPION	₦9.00	₦9.70	7.78%
FCMB	₦4.14	₦4.45	7.49%

Top Losers

Symbol	Previous	Current	return
IKEJAHOTEL	₦2.15	₦1.52	(29.30%)
TRANSEXPR	₦1.63	₦1.35	(17.18%)
JOSBREW	₦2.46	₦2.12	(13.82%)
LEARNAFRCA	₦1.60	₦1.40	(12.50%)
PREMBREW	₦5.12	₦4.63	(9.57%)
ACCESS	₦9.59	₦8.90	(7.19%)
UBN	₦9.70	₦9.10	(6.19%)
CUTIX	₦1.92	₦1.82	(5.21%)
PZ	₦34.00	₦32.25	(5.15%)
DANGFLOUR	₦6.89	₦6.55	(4.93%)

	26/09/2014	19/09/2014	Change
NSE-30	1,861.61	1,874.36	(0.68%)
NSE-Banking	420.30	428.87	(2.00%)
NSE-Insurance	149.16	143.91	3.65%
NSE-Consumer goods	1,010.92	1,010.18	0.07%
NSE-Oil&Gas	451.76	444.60	1.61%
NSE-Industrial goods	2,748.03	2,755.63	(0.28%)

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	16,945.80	17,265.99	-1.85%
FTSE	6,635.92	6,864.17	-3.33%
NIKKEI	16,229.86	16,321.17	-0.56%
S.AFRICA	49,595.87	51,462.42	-3.63%
BRAZIL	56,591.55	58,097.82	-2.59%
INDIA	7,968.85	8,121.45	-1.88%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
CCNN	₦14.15	(2.08%)	1,588	H1'14	91.00%	N/A	₦1.26	₦15.33
NPFMCRFBK	₦0.95	3.16%	338	H1'14	33.93%	₦2.60	₦0.15	₦1.12
DANGSUGAR	₦8.22	1.48%	6,835	H1'14	-2.54%	₦12.58	₦0.57	₦12.27
FIDSON	₦3.40	(3.41%)	310	H1'14	4.09	₦4.62	₦0.21	₦3.69
ETI	₦18.16	(4.42%)	31,629	H1'14	14.90%	₦25.00	₦1.98	₦19.00
ASHAKACEM	₦33.00	2.80%	3,518	H1'14	204.19%	₦38.00	₦1.57	₦34.17
AFRIPRUD	₦3.18	2.58%	551	H1'14	14.19%	₦4.27	₦0.28	₦4.10
ZENITH	₦24.00	(2.64%)	47,445	H1'14	8.26%	₦30.98	₦1.51	₦27.40
UBCAP	₦2.05	0.00%	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	
FTNCOCOA	H1'14	159	76	111.39	(252)	(259)	-197.07	
FTNCOCOA	Q1'14	151	75	101.03	(90)	(131)	-31.01	
LASACO	FY'13	4,965	4,437	11.89	275	(255)	-207.97	
OANDO	H1'14	194,557	280,327	-30.60	8,980	4,271	110.23	70kobo
OANDO	Q1'14	85,268	121,061	-29.57	(2,716)	2,448	-210.95	
OANDO	FY'13	449,873	650,565	-30.85	1,396	10,786	-87.05	30kobo
GUINNESS	FY'14	109,202	122,463	-10.83%	9,573	11,863	-19.30	N3.20
DAARCOMM	FY'12	4,233	5,144	-17.71%	273	2,692	-89.83%	
FLOURMILLS	Q1'14	83,947	88,963	-5.64	2,822	3,361	-22.27	
ETERNA	H1'14	13,979	47,856	-70.79	974	658	47.87	
JOHNHOLT	9M'14	1,851	2,133	-13.22	(395)	(607)	34.93	
ACCESS	H1'14	117,932	102,356	15.22	22,587	21,097	7.06	25kobo
AUSTINLAZ	H1'14	158	197	-19.52	(4)	21	-119.80	

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