



Skye Bank Plc pays mandatory deposit of 20 percent for acquisition of Mainstreet Bank.....

In line with the Bank’s strategic growth plan, Skye Bank Plc has finalised the acquisition of 100 percent equity of Mainstreet Bank from the Asset Management Corporation Of Nigeria (AMCON) by paying the initial mandatory 20 percent deposit. The acquisition is expected to create business opportunities for the bank and enhance business convenience to its retail and commercial customers.

Inflation expectation for September 2014.....

The National Bureau of Statistics will release September inflation figures on October 16, 2014. We anticipate a 20bps rise in Consumer Price Index to 8.70 percent following an increase in election related spending as we approach the 2015 election season, coupled with unrest in the Northern Eastern parts of the country which has continued to affect food production and distribution.

Interbank lending rates.....

Interbank lending rates eased to an average of 12.65 percent this week from 12.67 percent seen last week on payment of maturing bills worth N264.80billion into the system. The Overnight rate rose 0.04 percent to 10.71 percent while the 1 month, 3 months and 6 months rates declined by 0.04 percent, 0.02% and 0.05 percent to 12.41 percent, 13.27 percent and 14.21 percent respectively.

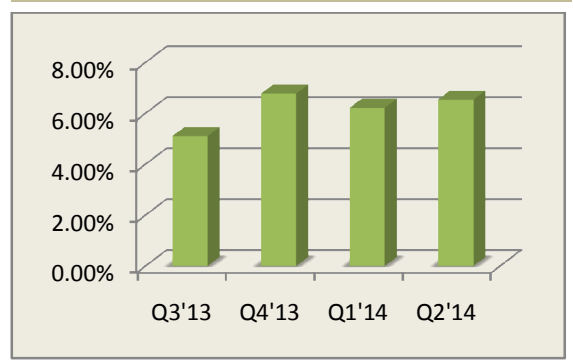
Exchange Rate.....

At the interbank market, the local currency weakened by 0.13 percent against the U.S Dollar to close the week at N164.78/\$ compared to N164.57/\$ witnessed last Friday.

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 eased to an average of 12.65% for the week.

FIXED INCOME REPORT

- **Local currency**

Liquidity persisted, Open buy back (OBB) and Overnight (O/N) rates opened at 10.46% and 10.63% however, eased to close at 10.38% and 10.58% respectively owing to redeemed Treasury and OMO bills.

- **Bonds/treasury bills**

Bearish sprint continued at the treasury bills and bond OTC space owing to the continuous sell-off by both foreign and domestic portfolio investors. However, we witnessed a reversal at the closing day of trading with investors taking position at the current attractive yields.

At the open market operation window for the week, ₦40.0billion and ₦50.0billion worth of 97day and 168day bill were offered while ₦27.89billion of 168day bill was sold at a discount rate of 10.90%, however there was no sale for the 97day bill due to investors bid rates.

At the Treasury bills Primary Market Auction, ₦20.16billion worth of the 91day-bill was offered and ₦17.19billion was sold at the discount stop rate of 9.95%, while ₦43.49billion and ₦68.18billion worth of 182day and 364day bill were offered while ₦17.36billion and ₦30.30billion were sold at the discount rates of 10.30% and 10.789% respectively. However, total subscription stood at ₦84.08billion as against ₦181.45billion at the previous auction.

- **Outlook for the coming week**

In the week ahead, we expect the Debt Management Office on behalf of the Federal Government of Nigeria to reopen 13.05% FGN AUG 2016 (3-Yr), 14.20% FGN MAR 2024 (10-Yr) and 12.1493% FGN JUL 2034 (20-Yr) FGN bond totalling ₦73.60billion at its monthly FGN primary auction. However, market liquidity is expected to be boosted from maturing OMO bills worth ₦218.70billion and in line with the apex bank monetary stance, we further expect continuous OMO issuances to help manage liquidity and inflationary pressure.

Auction Results

Auction Date	08/10/2014	08/10/2014	08/10/2014
Tenor	91Day	182 Day	364 Day
Auction	Primary	Primary	Primary
Total Subscription	17,815,917,000.00	19,358,913,000.00	16,907,435,000.00
Total Successful	17,188,817,000.00	17,358,913,000.00	30,304,735,000.00
Range Bid	8.0000 - 11.0000	9.0000 - 12.3452	9.8000 - 12.7189
Successful Bid Rates	8.0000 - 9.9500	9.0000 - 10.3000	9.8000 - 10.7890
Description	Issue	Issue	Issue
Rate	9.95	10.3	10.789
Amt offered	20,159,210,000.00	43,490,874,000.00	68,184,887,000.00

Auction Date	09/10/2014	10/10/2014
Tenor	168 Day	97 Day
Auction	OMO	OMO
Maturity Date	26/03/2015	15/01/2015
Total Subscription	83,719,658,000.00	90583394000
Total Successful	27,887,021,000.00	Nil
Range Bid	10.8000 - 14.0000	10.5000-12.5000
Successful Bid Rates	10.8000 - 10.9000	NIL
Description	Issue	Issue
Rate	10.9	NIL



Description	Maturity Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
4.00 23-APR-2015	23-Apr-15	11.54	11.23	96.19	96.34
13.05 16-AUG-2016	16-Aug-16	12.40	12.31	101.00	101.15
15.10 27-APR-2017	27-Apr-17	12.59	12.53	105.30	105.45
9.85 27-JUL-2017	27-Jul-17	12.65	12.58	93.53	93.68
9.35 31-AUG-2017	31-Aug-17	12.65	12.59	92.18	92.33
10.70 30-MAY-2018	30-May-18	12.66	12.55	94.39	94.69
16.00 29-JUN-2019	29-Jun-19	12.63	12.55	111.65	111.95
7.00 23-OCT-2019	23-Oct-19	12.68	12.58	79.33	79.63
16.39 27-JAN-2022	27-Jan-22	12.67	12.62	117.30	117.60
14.20 14-MAR-2024	14-Mar-24	12.65	12.59	108.40	108.70
15.00 28-NOV-2028	28-Nov-28	12.59	12.55	115.66	115.96
12.49 22-MAY-2029	22-May-29	12.59	12.54	99.33	99.63
8.50 20-NOV-2029	20-Nov-29	12.58	12.52	72.69	72.99
10.00 23-JUL-2030	23-Jul-30	12.60	12.55	82.30	82.60
12.1493 18-JUL-2034	18-Jul-34	12.37	12.33	98.35	98.65

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)
23-Oct-14	10.50	10.25
30-Oct-14	10.55	10.30
6-Nov-14	10.80	10.55
13-Nov-14	10.90	10.65
20-Nov-14	11.00	10.75
27-Nov-14	10.90	10.65
4-Dec-14	10.95	10.70
11-Dec-14	11.00	10.75
25-Dec-14	11.00	10.75
1-Jan-15	11.00	10.75
8-Jan-15	10.80	10.55
15-Jan-15	11.00	10.75
22-Jan-15	10.70	10.45
29-Jan-15	11.00	10.75
5-Feb-15	10.80	10.55
12-Feb-15	11.00	10.75
19-Feb-15	10.80	10.55
26-Feb-15	11.00	10.75
5-Mar-15	10.95	10.70
12-Mar-15	11.00	10.75
9-Apr-15	10.90	10.65
23-Apr-15	10.80	10.55
7-May-15	10.50	10.25
6-Aug-15	10.70	10.45

The Equities Market

Heavy weights drag index down 1.60%.....

The equities market reversed last week's gains on sell pressure from heavy weight stocks like Dangote Cement and Seplat Plc. Specifically, the index slumped 1.60 percent to settle at 40,444.39 as against an appreciation of 0.69 percent seen last Friday. Consequently, market capitalization declined by N217.72billion to close at N13.35trillion.

Lull in activity level.....

The volume of equities traded for the week declined by 47.88% as investors staked N14.47billion on 1.35billion shares in 14,677 deals as against 2.59billion shares valued at N24.90billion traded last week. The financial services sector accounted for 49.73% of market volume while the shares Transnational Corporation Plc was the most traded for the week.

Oil and Gas index leads the trail.....

The NSE-BANKING index posted the highest loss by a 2.88% decline on losses in the shares of STANBIC IBTC Holding and Zenith Bank Plc; the NSE-OIL&GAS index was down 2.27% while the NSE-INSURANCE index and the NSE-IND.GOODS index lost 1.79% and 0.56% respectively. Conversely, the NSE-CON.GOODS index was the lone gainer for the week with an upside of 0.37% on renewed optimism in the shares of Champion and Nigeria Breweries Plc.

Market breadth closed negative.....

Market breadth closed negative for the week with 19 equities appreciating in price and 37 others declining. IKEJAHOTEL topped the gainers chart for the second week running with an upside of 33.00%, CHAMPION 27.37%, CONOIL 10.23%, LEARNAFRCA 9.09% and CUTIX 5.00%. Contrarily, AGLEVENT led decliners with 13.63%, UAC-PROP 8.52%, STANBIC 8.49%, ZENITHBANK 6.17% and UBCAP 5.96% bringing market year to date return to -2.14%.

Weekly Statistics

	10/10/2014	03/10/2014	Change
ASI	40,444.39	41,103.94	(1.60%)
CAP	₦13.35tn	₦13.57tn	(₦217.72bn)
VOLUME	1.35bn	2.59bn	(47.88%)
VALUE	₦14.47bn	₦24.90bn	(41.89%)
DEALS	14,677	18,750	(21.72%)

Top Gainers

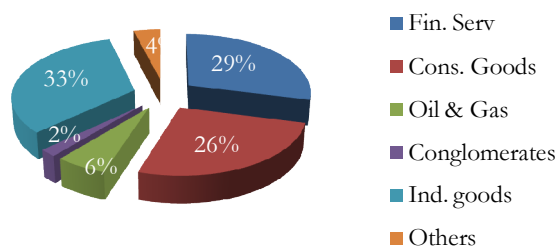
Symbol	Previous	Current	return
IKEJAHOTEL	₦2.00	₦2.66	33.00%
CHAMPION	₦12.35	₦15.73	27.37%
CONOIL	₦47.01	₦51.82	10.23%
LEARNAFRCA	₦1.32	₦1.44	9.09%
CUTIX	₦1.80	₦1.89	5.00%
LIVESTOCK	₦2.99	₦3.08	3.01%
FIDSON	₦3.33	₦3.40	2.10%
NB	₦176.66	₦180.00	1.89%
ETERNA	₦3.74	₦3.80	1.60%
ABCTRANS	₦0.68	₦0.69	1.47%

Top Losers

Symbol	Previous	Current	return
AGLEVENT	₦1.54	₦1.33	(13.63%)
UAC-PROP	₦15.85	₦14.50	(8.52%)
STANBIC	₦35.00	₦32.03	(8.49%)
ZENITHBANK	₦24.30	₦22.80	(6.17%)
UBCAP	₦2.18	₦2.05	(5.96%)
OANDO	₦26.37	₦25.00	(5.20%)
TRANSCORP	₦5.79	₦5.49	(5.18%)
INTENEGINS	₦0.59	₦0.56	(5.08%)
PREMBREW	₦4.40	₦4.18	(5.00%)
CCNN	₦15.75	₦15.00	(4.76%)

	10/10/2014	03/10/2014	Change
NSE-30	1,844.59	1,875.63	(1.65%)
NSE-Banking	415.96	428.29	(2.88%)
NSE-Insurance	145.75	148.40	(1.79%)
NSE-Consumer goods	1,019.20	1,015.47	0.37%
NSE-Oil&Gas	450.87	461.33	(2.27%)
NSE-Industrial goods	2,723.85	2,739.15	(0.56%)

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	16,659.25	17,009.69	-2.06%
FTSE	6,353.76	6,527.91	-2.67%
NIKKEI	15,300.55	15,708.65	-2.60%
S.AFRICA	47,258.22	48,613.19	-2.79%
BRAZIL	57,267.53	54,539.55	5.00%
INDIA	7,859.95	7,945.55	-1.08%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
CCNN	₦15.00	(4.75%)	1,588	H1'14	91.00%	N/A	₦1.26	₦15.75
NPFMCRFBK	₦1.00	0.00%	338	H1'14	33.93%	₦2.60	₦0.15	₦1.12
DANGSUGAR	₦8.10	(0.86%)	6,835	H1'14	-2.54%	₦12.58	₦0.57	₦12.27
FIDSON	₦3.40	2.10%	310	H1'14	4.09	₦4.62	₦0.21	₦3.69
ETI	₦18.90	1.07%	31,629	H1'14	14.90%	₦25.00	₦1.98	₦19.00
ASHAKACEM	₦32.00	0.00%	3,518	H1'14	204.19%	₦38.00	₦1.57	₦34.17
AFRIPRUD	₦3.28	(0.61%)	551	H1'14	14.19%	₦4.27	₦0.28	₦4.10
ZENITH	₦22.80	(6.17%)	47,445	H1'14	8.26%	₦30.98	₦1.51	₦27.40
UBCAP	₦2.05	(5.96%)	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	
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	
THOMASWAYTT	FY'13	94	122	-23.15	(6)	(45)	84.76	
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

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