



Oil Price volatility, pressure on local currency.....CBN moves to stem the tide

The country’s foreign reserves have been under pressure following the volatility in global crude oil prices. As a way of supporting the Naira from further decline, the Apex Bank in a circular titled “Exclusion of some transactions from the RDAS Window” banned the sale of Dollars at its Retail Dutch Auction System (RDAS) to importers who fall under the following categories:

- Telecoms equipment;
- Power generators;
- Finished products;
- Electronics;
- Invisible transactions business; and
- Information technology.

However, these importers can source their foreign exchange requirements from the interbank market and the BDCs. Despite the new policy, the Naira maintained its steady slide, touching its lowest intra-day level in five years yesterday.

In another circular, the Apex Bank noted that banks and discount houses prefer to keep idle funds in its Standing Deposit Facility(SDF), thereby constraining the process of financial intermediation. Consequently, the Apex Bank reviewed the guidelines for the operations of Standing Deposit Facility (SDF) as follows:

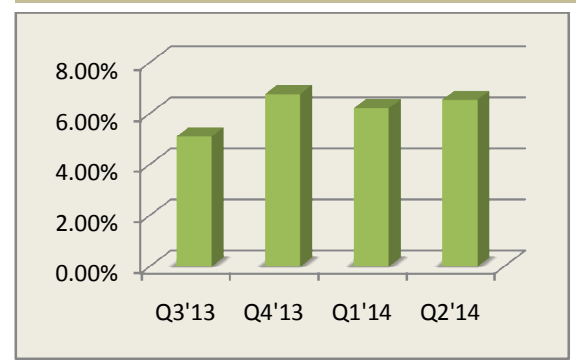
- Daily placements by banks and discount houses at the SDF shall not exceed N7.5billion. The N7.5billion shall be remunerated at the SDF rate of 10.00 percent per annum.
- Any deposit by a bank or discount house in excess of N7.5billion shall not be remunerated

The reviewed policy is without prejudice to the subsisting MPR corridor which remains at +/-200bps around the 12.005 MPR

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



- 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%.
- September Inflation rate down 20bps to 8.30%.
- Interbank lending rates firmed up to an average of 12.60% for the week.

The Equities Market

Bearish mood persists.....index down 11.52%

The downward slide in the equities market continued for the second week running as the index slumped 11.52 percent to close at 33,225.75 compared to a decline of 3.93 percent seen previously. In the same vein, market capitalization of listed equities lost a whopping N1.43trillion to settle at N11.00trillion.

Improvement in activity level.....

Market turnover by way of volume traded for the week rose 80.86% as investors exchanged 3.78billion shares valued at N26.74billion exchanged in 22,771 deals as against 2.09billion shares worth N20.23billion traded previously. The financial services sector remained the most active for the week, accounting for over 80.00% of market volume while Linkage Assurance and Sterling Bank Plc buoyed activity in the sector.

All the sector indices closed lower.....

All the sector indices under our coverage universe closed lower. The NSE-IND.GOODS index posted the highest loss by 19.88% on losses in the shares of Lafarge Africa and Ashaka Cement Plc; the NSE-OIL&GAS index slumped 14.71% on negative sentiments in the shares of Oando, Forte and Eterna Oil Plc while the NSE-CON.GOODS index, the NSE-BANKING index and the NSE-INSURANCE index lost 12.65%, 7.39% and 3.25% respectively.

Market breadth closed negative.....

Market breadth closed negative for the week with only 1 advancer and 68 decliners. BETAGLASS was the only gainer for the week with an upside of 5.00%. On the losers chart, WAPCO declined 30.14%, DANGSUGAR 29.00%, ASHAKACEM 28.62%, PZ 26.43% and TRANSCORP 23.76%. Market year-to-date return now stands at -19.61%.

Weekly Statistics

	07/11/2014	31/10/2014	Change
ASI	33,225.75	37,550.24	(11.52%)
CAP	₦11.00tn	₦12.44tn	(₦1.43tn)
VOLUME	3.78bn	2.09bn	80.86%
VALUE	₦26.74bn	₦20.23bn	32.18%
DEALS	22,771	21,802	4.44%

Top Gainers

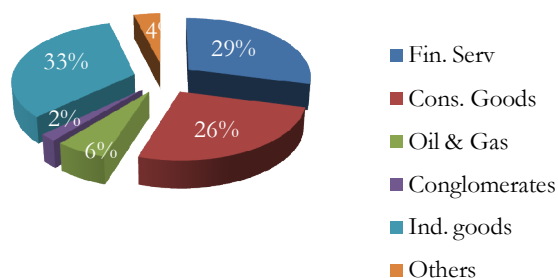
Symbol	Previous	Current	Return
BETAGLASS	₦21.00	₦22.05	5.00%

Top Losers

Symbol	Previous	Current	Return
WAPCO	₦109.99	₦76.84	(30.14%)
DANGSUGAR	₦7.00	₦4.97	(29.00%)
ASHAKACEM	₦31.34	₦22.37	(28.62%)
PZ	₦23.84	₦17.54	(26.43%)
TRANSCORP	₦4.04	₦3.08	(23.76%)
OANDO	₦21.66	₦16.90	(21.98%)
UNILEVER	₦36.10	₦28.32	(21.55%)
FBNH	₦11.58	₦9.26	(20.03%)
RTBRISCOE	₦0.90	₦0.72	(20.00%)
UBCAP	₦1.90	₦1.53	(19.47%)

	07/11/2014	31/10/2014	Change
NSE-30	1,480.33	1,683.72	(12.08%)
NSE-Banking	346.30	373.92	(7.39%)
NSE-Insurance	143.15	147.96	(3.25%)
NSE-Consumer goods	804.07	920.53	(12.65%)
NSE-Oil&Gas	355.46	416.79	(14.71%)
NSE-Industrial goods	2043.33	2,550.21	(19.88%)

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	17,554.47	17,390.52	0.94%
FTSE	6,571.99	6,546.47	0.39%
NIKKEI	16,880.38	16,413.76	2.84%
S.AFRICA	50,135.50	49,722.88	0.83%
BRAZIL	52,334.38	54,628.60	-4.20%
INDIA	8,337.00	8,322.20	0.18%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
CCNN	₦10.99	(14.41%)	1,729	9M'14	56.75%	N/A	₦1.38	₦15.75
NPFMCRFBK	₦0.88	(6.38%)	338	H1'14	33.93%	₦2.60	₦0.15	₦1.12
DANGSUGAR	₦4.97	(29.00%)	9,147	9M'14	-5.01%	₦12.58	₦0.76	₦12.27
FIDSON	₦3.02	(13.22%)	467	9M'14	21.61%	₦4.62	₦0.31	₦3.69
ETI	₦16.72	(12.00%)	52,491	9M'14	31.33%	₦25.00	₦3.29	₦19.00
ASHAKACEM	₦22.37	(28.62)	4,365	9M'14	103.40%	₦38.00	₦1.95	₦34.17
AFRIPRUD	₦2.59	(10.07%)	828	9M'14	35.47%	₦4.27	₦0.40	₦4.10
ZENITH	₦20.11	(5.14%)	71,046	9M'14	5.60%	₦30.98	₦2.26	₦27.40
UBCAP	₦1.53	(19.47%)	1,687	9M'14	(2.00%)	₦3.90	₦0.28	₦2.91

Earnings Update

Symbol	Period	Turnover (₦'m)			Profit (₦'m)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
CAVERTON	9M'14	18,705	13,997	33.64%	1,872	1,506	24.31%	
SECURE	9M'14	5,372	4,570	17.53%	41	0.216		
INTBREW	H1'14	10,065	8,627	16.66%	1,360	1,088	24.92%	
McNICHOLS	9M'14	392	320	22.65%	30	14	112.18%	
FIDELITY	9M'14	96,023	90,528	6.07%	11,247	11,064	1.65%	
NASCON	9M'14	8,172	8,193	-0.26%	1,573	2,063	-23.75%	
IKEJAHOTEL	9M'14	3,936	4,794	-17.90%	(2.6)	0.67	-481.76%	
SKYEBANK	9M'14	97,126	102,044	-4.82%	9,866	11,650	-15.31%	
TOTAL	9M'14	177,807	174,331	1.99%	2,648	3,260	-18.77%	
7UP	H1'14	38,142	33,825	12.76%	2,480	2,155	15.04%	
MOBIL	9M'14	60,717	58,735	3.37%	5,995	2,549	135.20%	
ETI	9M'14	268,951	231,890	15.98%	52,491	39,968	31.33%	
DIAMOND	9M'14	151,595	132,183	14.69%	20,180	20,050	0.65%	
NESTLE	9M'14	102,665	95,416	7.60%	16,862	17,099	-1.39%	N10.00

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