



Debt Profile:

Nigeria’s borrowing trend came under scrutiny with recent data from the Debt Management Office. Total debt stock as at June 30th, 2014 stood at \$66.99billion or N10.43trillion, up 1.15 percent from March 31st, 2014 at \$65.25billion. When compared to Dec 31st, 2013 at \$64.51billion, the figure came in 3.84% higher, bringing the debt-to-GDP ratio to 13.14 percent.

July inflation rate up 10bps to 8.30%

In line with our forecast of a 10bps hike which was stated in our weekly report on Last Friday, CPI which measures inflation came in at 8.30 percent for July from 8.20 percent in June, according to data released by the National Bureau of Statistics. The rise in July inflation was attributed to an increase in various divisions which contribute to headline index.

Interbank lending rates.....

The payment of N216.99billion worth maturing bills which hit the system on Thursday was able to offset the effect of mop up by way of Treasury bills worth N70.64billion from the financial system. Consequently, interbank rates eased by 0.53percent to an average of 12.92percent, compared to an average of 13.45percent seen last week. Overnight and 30-day rates declined 0.75 percent and 0.22 percent to 11.38 percent and 12.79 percent respectively, while the 60-day and the 90-day rates eased by 0.71 percent and 0.46 percent to 13.35 percent and 14.15 percent respectively.

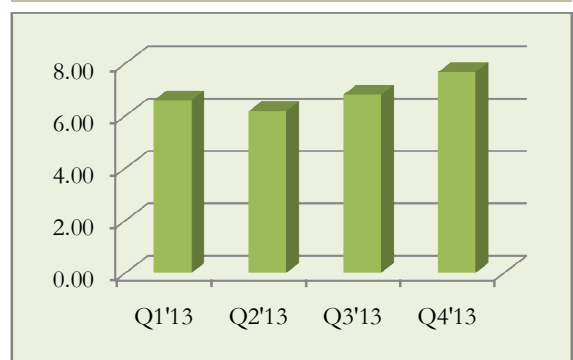
Exchange Rate.....

At the interbank market, the local currency strengthened against the U.S dollar by 0.33 percent to close the week at N162.00/\$ from N162.54/\$ as at Friday August 15, 2014.

Inflation trend

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

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%.
- July Inflation rate up 10bps to 8.30%.
- Interbank lending rates declined to an average of 12.92% for the week.



FIXED INCOME REPORT

- **Local Currency**

Interbank open buy back (OBB) and over night (O/N) rates firmed up to open at the average rates of 14.0% and 14.25% respectively owing to strained liquidity levels. However, FAAC allocation as well as redeemed Treasury and OMO bills improved liquidity levels. Interbank rates dwindled to close the week at 10.58% and 10.83%

- **Bonds/Treasury bills**

Muted market was witnessed at the treasury bills OTC market however, yields inched up slightly across tenor bucket. While at the bond OTC space, renewed appetite by both foreign and domestic investors as well as the anticipated inclusion of FGN 2024 instrument (10year) in JP Morgan's index rallied bull sentiments across maturities.

At the Treasury bills Primary Market Auction, ₦40.65billion and ₦30.0billion worth of 91day and 182day bill were offered and sold at the discount stop rates of 9.9% and 10.2% as against 10.0% and 10.2% respectively. Total subscription stood at ₦122.33billion.

- **Outlook for the coming week**

In the week ahead, we expect the redemption of OMO bill totalling ₦198.13billion. Going by the improved liquidity levels, we expect further decline in interbank rates. However, In line with monetary stance the apex bank to also expected to issue OMO bills to mob up liquidity.

Auction Result (Primary Market Auction)

Auction Date	8/20/2014	8/20/2014
Tenor	91	182
Auction	Primary Market	Primary Market
Maturity Date	11/20/2014	2/19/2015
Total Subscription	56333.392	65997.299
Total Successful	40647.81	30000
Range Bid	8.5000 - 15.0000	9.5000 - 12.5189
Successful Bid Rates	8.5000 - 9.9000	9.5000 - 10.2000
Rate	9.9	10.2
True Yield	10.1505	10.7466
Amtoffered	40647.81	30000

Closing Price

Money Market	
Tenor	Rate (%)
OBB	10.58
O/N	10.83

FGN Bonds						
Description	Issue Date	Maturity Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
9.25 28-SEP-2014	28-Sep-07	28-Sep-14	10.80	9.35	99.81	99.96
4.00 23-APR-2015	23-Apr-10	23-Apr-15	10.90	10.08	95.65	96.15
13.05 16-AUG-2016	16-Aug-13	16-Aug-16	11.17	11.09	103.25	103.40
15.10 27-APR-2017	27-Apr-12	27-Apr-17	11.11	11.04	109.00	109.15
9.85 27-JUL-2017	27-Jul-07	27-Jul-17	11.12	11.06	96.88	97.03
9.35 31-AUG-2017	31-Aug-07	31-Aug-17	11.12	11.00	95.55	95.85
10.70 30-MAY-2018	30-May-08	30-May-18	11.15	11.05	98.60	98.90
16.00 29-JUN-2019	29-Jun-12	29-Jun-19	11.19	11.12	117.60	117.90
7.00 23-OCT-2019	23-Oct-09	23-Oct-19	11.30	11.21	83.49	83.79
16.39 27-JAN-2022	27-Jan-12	27-Jan-22	11.78	11.72	122.40	122.70
14.20 14-MAR-2024	14-Mar-14	14-Mar-24	11.94	11.89	112.65	112.95
15.00 28-NOV-2028	28-Nov-08	28-Nov-28	12.54	12.50	116.09	116.39
12.49 22-MAY-2029	22-May-09	22-May-29	12.58	12.54	99.34	99.64
8.50 20-NOV-2029	20-Nov-09	20-Nov-29	12.63	12.57	72.34	72.64
10.00 23-JUL-2030	23-Jul-10	23-Jul-30	12.20	12.15	84.70	85.00
12.1493 18-JUL-2034	18-Jul-14	18-Jul-34	12.13	12.09	100.15	100.45

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)
4-Sep-14	10.65	10.40
11-Sep-14	10.45	10.20
18-Sep-14	10.60	10.35
25-Sep-14	10.50	10.25
2-Oct-14	10.65	10.40
9-Oct-14	10.55	10.30
16-Oct-14	10.60	10.35
23-Oct-14	10.50	10.25
30-Oct-14	10.55	10.30
6-Nov-14	10.10	9.85
13-Nov-14	10.60	10.35
20-Nov-14	9.75	9.50
27-Nov-14	10.70	10.45
4-Dec-14	10.10	9.85
11-Dec-14	10.70	10.45
25-Dec-14	10.75	10.50
8-Jan-15	10.15	9.90
22-Jan-15	10.15	9.90
5-Feb-15	10.40	10.15
19-Feb-15	10.25	10.00
5-Mar-15	10.35	10.10
9-Apr-15	10.15	9.90
23-Apr-15	10.15	9.90

The Equities Market

High cap stocks drive index up 44bps.....

Despite sell pressure witnessed during the week, high cap stocks like Dangote Cement, STANBIC IBTC and Zenith Bank Plc lifted the benchmark indicator up by 44bps to settle at 41,564.19 as against a loss of 2.86% witnessed last week. In the same vein, the market capitalization of listed equities rose by N60.80billion to settle at N13.72trillion.

Access Bank buoys activity level.....

The volume equities traded for the week declined by 24.82% as investor exchanged 1.03billion shares valued at N12.28billion in 22,056 deals as against 1.37billion shares worth N13.29billion traded in the previous week. The Financial services sector accounted for 76.47% of market volume for the week while Access Bank Plc boosted activity in the sector.

Oil & GAS index leads sector performance.....

The NSE-OIL&GAS index posted the highest return for the week by a 1.05% upside primarily on positive posture in the shares of MRS and CONOIL Plc; the NSE-IND.GOODS index was up 0.93% while the NSE-INSURANCE index rose 0.10%. Conversely, the NSE-BANKING index shed 0.18% on sell pressure from the shares of Skye Bank and ETI Plc while the NSE-CON.GOODS index declined by 0.06%.

Market breadth closed negative.....

In all, market breadth closed negative for the week with 33 equities advancing in price and 39 others declining. To gainers include: PREMBREW 43.64%, CORNERST 13.46%, FIDSON 10.63%, 7UP 10.24% and STERLNBANK 8.57%. On the flip side, FLOURMILL was the worst hit shedding 15.81%, EVANSMED 11.50%, RTBRISCOE 9.47%, VONO 8.76% and SKYEBANK 7.05%. Market year to date return now stands at 0.57%.

Weekly Statistics

	22/08/2014	15/08/2014	Change
ASI	41,564.19	41,380.05	0.44%
CAP	₦13.72tn	₦13.66tn	₦60.80bn
VOLUME	1.03bn	1.37bn	(24.82%)
VALUE	₦12.28bn	₦13.29bn	(7.59%)
DEALS	22,056	23,973	(7.99%)

Top Gainers

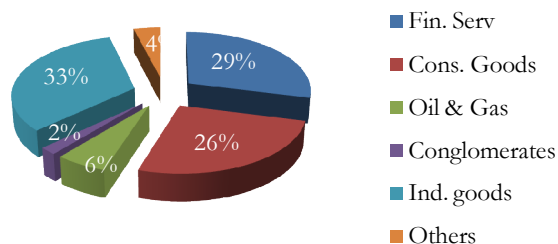
Symbol	Previous	Current	return
PREMBREW	₦1.10	₦1.58	43.64%
CORNERST	₦0.52	₦0.59	13.46%
FIDSON	₦3.01	₦3.33	10.63%
7UP	₦115.00	₦126.78	10.24%
STERLNBANK	₦2.10	₦2.28	8.57%
MRS	₦54.00	₦58.49	8.31%
NEIMETH	₦1.12	₦1.20	7.14%
NPFMCRFBK	₦1.00	₦1.05	5.00%
CONOIL	₦65.20	₦68.45	4.98%
REDSTAREX	₦4.40	₦4.60	4.55%

Top Losers

Symbol	Previous	Current	return
FLOURMILL	₦80.90	₦68.11	(15.81%)
EVANSMED	₦2.26	₦2.00	(11.50%)
RTBRISCOE	₦0.95	₦0.86	(9.47%)
VONO	₦1.37	₦1.25	(8.76%)
SKYEBANK	₦3.12	₦2.90	(7.05%)
COSTAIN	₦1.20	₦1.13	(5.83%)
CAVERTON	₦5.90	₦5.60	(5.08%)
ACADEMY	₦1.63	₦1.55	(4.91%)
ETERNA	₦3.99	₦3.81	(4.51%)
ETI	₦17.22	₦16.50	(4.18%)

	22/08/2014	15/08/2014	Change
NSE-30	1,885.26	1,880.27	0.27%
NSE-Banking	419.45	420.21	(0.18%)
NSE-Insurance	144.18	144.03	0.10%
NSE-Consumer goods	1,030.20	1,030.83	(0.06%)
NSE-Oil&Gas	478.34	473.39	1.05%
NSE-Industrial goods	2,720.52	2,695.44	0.93%

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	17,001.04	16,662.91	2.03%
FTSE	6,772.62	6,775.20	-0.04%
NIKKEI	15,539.19	15,318.34	1.44%
S.AFRICA	51,190.79	51,257.72	-0.13%
BRAZIL	58,754.39	56,963.65	3.14%
INDIA	7,913.20	7,791.70	1.56%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
FIDSON	₦3.33	10.63%	310	H1'14	4.09	₦4.62	0.21	₦3.33
ETI	₦16.50	(4.18%)	31,629	H1'14	14.90%	₦25.00	1.98	₦18.33
ASHAKACEM	₦34.00	0.00%	3,518	H1'14	204.19%	₦38.00	1.57	₦34.17
ACCESS	₦9.64	((1.03%))	11,626	Q1'14	25.02%	₦11.65	0.51	₦11.34
AFRIPRUD	₦3.24	(0.31%)	551	H1'14	14.19%	₦4.27	0.28	₦4.10
ZENITH	₦24.70	3.35%	47,445	H1'14	8.26%	₦30.98	1.51	₦27.40
UBCAP	₦2.17	0.46%	1,245	H1'14	23.55%	N/A	0.21	₦2.91
CUSTODYINS	₦3.86	(3.05%)	2,276	H1'14	100.08%	N/A	0.39	₦4.03
NAHCO	₦5.00	0.00%	381	H1'14	19.24%	N/A	0.26	₦6.80

Earnings Update

Symbol	Period	Turnover (₦'m)			Profit (₦'m)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
GUARANTY	H1'14	132,985	124,202	7.07	44,008	49,014	-10.21	
GUINEAINS	H1'14	546	802	-31.96	(158)	194	-181.63	
GUINEAINS	Q1'14	159	109	46.14	(62)	181	-134	
ACADEMY	FY'14	2,347	2,285	2.69	102	66	53.98	
JOHNHOLT	FY'13	3,038	2,764	9.91	126	(67)	-288.06	
PRESTIGE	FY'13	4,222	4,790	-11.85	(90)	613	-114	
DNMEYER	9m'14	99	102	-2.78	(504)	(663)	-24.03	
BETAGLASS	H1'14	7,992	9,760	18.22	867	850	1.93	
MANSARD	Q2'14	9	7	27.35	0.8	1.0	-55.81	
DANGCEM	H1'14	208,908	198,463	5.26	95,439	107,680	-11.37	
INTBREW	Q1'14	5,211	4,345	19.93	708	534	32.46	
AGLEVENT	H1'14	5,143	5,922	-13.15	274	246	11.42	
ROYALEX	H1'14	6,426	4,597	39.78	431	216	99.35	

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