



On CBN’s Third Quarter Economic Report.....

The Central Bank of Nigeria released its third quarter economic report on 23rd of December, 2014. Total revenue collected by the Federal government stood at N2.69trillion, representing an increase of 2.7 per cent above receipts in the second quarter of 2014, but 1.2 per cent below the budgeted estimate. Oil receipts came in at N1.73 trillion, accounting for 64.2 per cent of the total revenue, but fell below the budgeted estimate and the level in the preceding quarter by 3.8 percent and 4.0 percent respectively. The decline in oil receipts can be attributed to the fall in crude oil and gas exports during the review quarter.

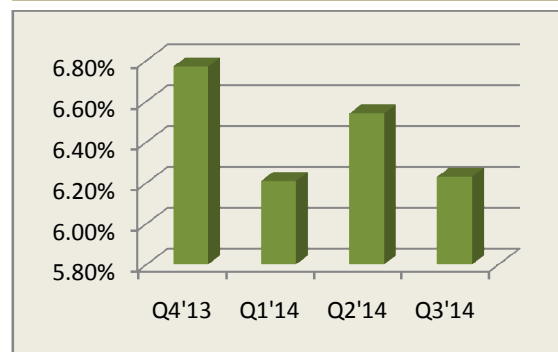
Non-oil receipts came in at N961.98 billion, higher than the budgeted estimate by 3.70% and the receipts in the preceding quarter by 17.60%. Federal Government retained revenue was N924.67 billion, while total expenditure was N971.07 billion giving a deficit of N46.40 billion in the third quarter of 2014, compared with the quarterly budget and the preceding quarter’s deficit of N241.1 billion and N122.41 billion respectively.

Nigeria’s crude oil production, including condensates and natural gas liquids, averaged 1.98 million barrels per day (mbd) or 182.16 million barrels for the quarter. Crude oil export stood at 1.53 mbd or 140.76 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 41.4 million barrels. The average price of Nigeria’s reference crude, the Bonny Light (37^o API), declined by 8.2 per cent below the level in the preceding quarter. While World Economic Outlook (WEO) indicated that projection for global growth in 2014 was revised downward to 3.3 per cent, a 0.4 percent below the estimated growth in the second quarter. The review was attributed to increased downward risk, including worsening geopolitical tensions and reversal of recent risk spread, as well as volatility compression in financial markets.

Inflation trend

Month	Rate (%)
May	8.00
June	8.20
July	8.30
August	8.50
September	8.30
October	8.10
November	7.90

GDP growth rate



Key Highlights

- MPR increased by 100bps to 13%.
- CRR on Public Sector Deposits retained at 75%.
- CRR on Private Sector Deposits increased by 500bps to 20%.
- Liquidity ratio held constant at 30%.
- November Inflation rate down 20bps to 7.90%.
- Interbank lending rates eased to an average of 14.52 percent for the week.

The Equities Market

The bulls re-emerged..... index up 13.60%

The equities market witnessed an impressive outing this week, posting its highest weekly gain since the beginning of the year. Specifically, the benchmark index rose 13.60% to close at 34,428.82 as against a loss of 1.48% seen previous week. Consequently, market capitalization improved by N1.40trillion to settle at N11.40trillion.

Decline in activity level.....

Market turnover by way of volume traded declined 65.56% as investors exchanged 1.86billion shares valued at N12.76billion in 13,469 deals compared to 5.40billion shares worth N46.47billion traded previously. The Financial services sector emerged the most active, accounting for over 70.00% of market turnover while trades in the shares of Zenith Bank and FCMB Group Plc buoyed activity in the sector

All sector indices closed higher.....

The NSE-BANKING index posted the highest return for the week by 14.53% on renewed optimism in the shares of United Bank For Africa, Skye Bank and Zenith Bank Plc; the NSE-IND.GOODS index was up 14.23% primarily on gains in the shares of Dangote Cement Plc while the NSE-CON.GOODS index, the NSE-OIL&GAS index and the NSE-INSURANCE index rose 10.13%, 8.92% and 1.68% respectively.

Market breadth closed positive.....

Market breadth closed positive for the week with 54 advancers and 10 decliners. UBA led the gainers chart with 32.28%, TRANSCORP 28.90%, OANDO 26.79%, SKYE BANK 26.20% and DANGCEM 22.91%. Contrarily, ASHAKACEM led the losers chart with a decline of 9.96%, INTBREW 6.81%, CAVERTON 5.36%, NPFMCRFBK 4.88% and COSTAIN 4.76%. Market year-to-date return now stands at -16.69%.

Weekly Statistics

	24/12/2014	19/12/2014	Change
ASI	34,428.82	30,306.51	13.60%
CAP	₦11.40tn	₦10.01tn	₦1.40tn
VOLUME	1.86bn	5.40bn	(65.56%)
VALUE	₦12.76bn	₦46.47bn	(72.54%)
DEALS	13,469	22,986	(41.40%)

Top Gainers

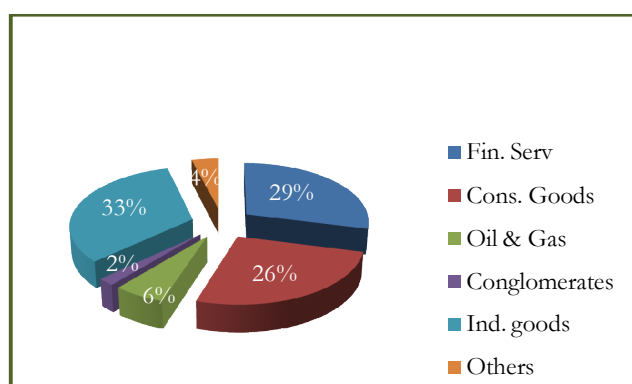
Symbol	Current	Previous	Return
UBA	₦5.00	₦3.78	32.28%
TRANSCORP	₦3.97	₦3.08	28.90%
OANDO	₦19.97	₦15.75	26.79%
SKYE BANK	₦2.89	₦2.29	26.20%
DANGCEM	₦196.65	₦160.00	22.91%
SEPLAT	₦322.11	₦265.02	21.54%
GUINNESS	₦151.87	₦124.96	21.53%
NAHCO	₦4.97	₦4.11	20.92%
CHAMPION	₦5.90	₦4.88	20.90%
ZENITH BANK	₦19.47	₦16.32	19.30%

Top Losers

Symbol	Current	Previous	Return
ASHAKACEM	₦22.15	₦24.60	(9.96%)
INTBREW	₦24.23	₦26.00	(6.81%)
CAVERTON	₦3.00	₦3.17	(5.36%)
NPFMCRFBK	₦0.78	₦0.82	(4.88%)
COSTAIN	₦0.80	₦0.84	(4.76%)
MAYBAKER	₦1.47	₦1.54	(4.55%)
RTBRISCOE	₦0.66	₦0.69	(4.35%)
GLAXOSMITH	₦50.00	₦52.00	(3.85%)
PZ	₦24.70	₦25.09	(1.55%)
UACN	₦35.45	₦35.93	(1.34%)

	24/12/2014	19/12/2014	Change
NSE-30	1,555.20	1,378.87	12.79%
NSE-Banking	358.09	312.66	14.53%
NSE-Insurance	146.19	143.78	1.68%
NSE-Consumer goods	862.96	783.47	10.15%
NSE-Oil&Gas	399.51	366.79	8.92%
NSE-Industrial goods	2,139.15	1,872.69	14.23%

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	18,024.17	17,804.80	1.23%
FTSE	6,598.18	6,545.27	0.81%
NIKKEI	17,854.23	17,621.40	1.32%
S.AFRICA	49,478.57	49,386.71	0.19%
BRAZIL	50,889.81	49,650.98	2.50%
INDIA	8,239.25	8,225.20	0.17%

BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
TRANSCORP	₦22.15	(9.96%)	₦8,263	9M'14	130.78%	N/A	13kobo	₦6.50
GTBANK	₦25.01	13.42%	₦66,743	9M'14	-4.00%	N/A	₦2.35	₦31.60
UBA	₦5.00	32.28%	33,628	9M'14	-10.02%	₦9.33	₦1.02	₦9.41
FBNH	₦9.30	12.18%	55,626	9M'14	-5.85%	₦15.86	₦1.70	₦16.77
CCNN	₦9.90	1.96%	1,729	9M'14	56.75%	₦13.80	₦1.38	₦15.75
DANGSUGAR	₦6.16	17.33%	9,147	9M'14	-5.01%	₦12.58	₦0.76	₦12.27
ETI	₦18.00	3.45%	52,491	9M'14	31.33%	₦25.00	₦3.29	₦19.00
AFRIPRUD	₦2.96	8.03%	828	9M'14	35.47%	₦4.27	₦0.40	₦4.10
ZENITH	₦19.47	19.30%	71,046	9M'14	5.60%	₦30.98	₦2.26	₦27.40
UBCAP	₦1.69	7.64%	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	
ELLAHLAKES	Q1'14	12	15	-15.61%	(4)	(2)	60.71%	
FTNCOCOA	9M'14	166	224	-25.59%	(403)	(336)	20.14%	
NIGERINSURE	9M'14	8,285	10,443	-20.66%	365	794	-53.97%	
CUTIX	H1'14	1,143	1,118	2.25%	48	84	-42.55%	
MULTI-TREX	FY'13	1,434	3,264	-56.05%	-3,019	-1,247	142.02%	
NIGERIANENAM	FY'14	2,569	2,516	2.13%	86	73	16.47%	
HONYFLOUR	H1'14	26,871	27,858	-3.54%	1,095	1,005	8.96%	
DANGFLOUR	9M'14	41,268	29,960	37.74	(6,112)	(7,217)	15.31%	
MRS	9M'14	69,243	69,713	-0.67%	346	55	528.84%	
OANDO	9M'14	338,105	386,251	-12.46%	10,698	6,092	75.61%	
OKOMUOIL	9M'14	6.899	6,787	1.65%	2,077	1,612	28.85%	
ACADEMY	H1'14	1,158	1,084	6.84%	(32)	80	-140.77%	
C&I LEASING	H1'14	6,343	6,112	3.78	369	174	110.96%	

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