



OPEC meeting outcome..... production cut rejected

The 166th Meeting of the Organisation of the Petroleum Exporting Countries (OPEC) was held in Vienna, Austria, on Thursday, 27th November 2014. Despite the fall in crude oil prices due to increased supply from Shale Oil production by the U.S, members agreed to maintain production levels at 30mbpd on the premise of a likely increase in global Oil demand next year which will offset the projected increase of 1.36mbpd in non-OPEC supply.

Prices were also left to find their equilibrium in order to ensure that Oil producing members can meet their budgetary needs. This decision will see a further drop in Oil prices in the near term as some non-OPEC countries are reported to have entered into contracts at below \$70pb.

Nigeria's Minister of Petroleum Resources, Mrs. Diezani Alison-Madueke was adopted as the first female President of OPEC during the meeting.

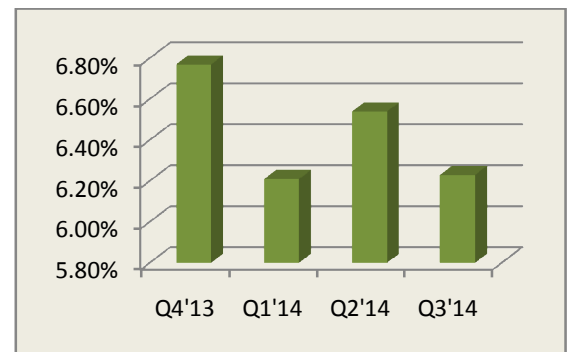
Outcome of the MPC meeting.....

1. Increase the MPR by 100bps from 12 percent to 13 percent.
2. Retain the symmetric corridor of +/-200bps around the MPR
3. Increase in the CRR on private sector deposits by 500bps to 20 percent from 15 percent with immediate effect
4. Maintain CRR on public sector deposits at 75 percent.
5. Adjust the midpoint of the foreign exchange market official window from N155/US\$ to N168/US\$ and expand the band around the midpoint by 200bps to +/-5 percent from +/- 3 percent
6. Retain banks' foreign exchange Net Open Position at 1 percent.

Inflation trend

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

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%.
- October Inflation rate down 20bps to 8.10%.
- Interbank lending rates firmed up to an average of 12.74% for the week.

FIXED INCOME REPORT

- **Money Market**

The Nigerian interbank market was largely dictated by the Monetary Policy Committee's decision to hike Monetary Policy Rate from 12.00% to 13.00% and increased Cash Reserve Ratio on private sector fund from 15.00% to 20.00%. Open Buy Back and Over Night rate opened the week at 9.88% and 10.17%. However, rates traded at a high of 19.50% and 21.08% following MPC's decision. OBB and O/N rate eased to close at 11.54% and 11.92% respectively owing to redemption of OMO bill which improved market liquidity.

- **Bond/Treasury Bill**

Bull trend was seen at the fixed income OTC market owing to buy pressure from both foreign and domestic portfolio investors who looked to take advantage of the current yield level.

At the open market operation window for the week, ₦50.0billion worth of 175-day bill was offered while ₦6.372billion was sold at a discount stop rate of 13.00%. However, subscription level stood at ₦56.523billion.

- **Outlook for the coming week**

In the week ahead, the apex bank is expected to offer ₦129.18billion worth of 91day, 182day and 364day Nigerian Treasury Bill (NTB) in its Primary Market Auction (PMA). On the other hand, we expect the redemption of treasury bills totalling ₦129.18 billion.

Auction Results

OMO Auction

Auction Date	27/11/2014
Security Type	NTB
Tenor	175
Auction	OMO
Maturity Date	21/05/2015
Total Subscription	56,522,659,000
Total Successful	6,372,000,000
Range Bid	12.0000 - 15.0000
Successful Bid Rates	12.0000 - 13.0000
Rate	13.0000
Amt Offered	50,000,000,000

Description	Maturity Date	Bid Yield (%)	Offer Yield (%)	Bid Price	Offer Price
4.00 23-APR-2015	23-Apr-15	13.72	11.03	96.28	97.28
13.05 16-AUG-2016	16-Aug-16	13.65	12.98	99.05	100.05
15.10 27-APR-2017	27-Apr-17	14.03	13.53	102.10	103.10
9.85 27-JUL-2017	27-Jul-17	14.02	13.53	90.95	91.95
9.35 31-AUG-2017	31-Aug-17	13.99	13.52	89.64	90.64
10.70 30-MAY-2018	30-May-18	13.78	13.40	91.65	92.65
16.00 29-JUN-2019	29-Jun-19	13.54	13.26	108.15	109.15
7.00 23-OCT-2019	23-Oct-19	13.45	13.12	77.35	78.35
16.39 27-JAN-2022	27-Jan-22	13.37	13.17	113.60	114.60
14.20 14-MAR-2024	14-Mar-24	13.17	12.98	105.40	106.40
15.00 28-NOV-2028	28-Nov-28	12.80	12.66	114.20	115.20
12.49 22-MAY-2029	22-May-29	12.77	12.62	98.14	99.14
8.50 20-NOV-2029	20-Nov-29	12.75	12.56	71.89	72.89
10.00 23-JUL-2030	23-Jul-30	13.02	12.84	80.00	81.00
12.1493 18-JUL-2034	18-Jul-34	13.15	13.00	93.00	94.00

Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)
11-Dec-14	12.99	12.59
25-Dec-14	13.00	12.60
1-Jan-15	13.29	12.89
8-Jan-15	13.00	12.60
15-Jan-15	13.55	13.15
22-Jan-15	12.83	12.43
29-Jan-15	13.20	12.80
5-Feb-15	13.15	12.75
12-Feb-15	13.15	12.75
19-Feb-15	13.05	12.65
26-Feb-15	13.00	12.60
5-Mar-15	12.70	12.30
12-Mar-15	12.90	12.50
26-Mar-15	13.00	12.60
2-Apr-15	12.70	12.30
9-Apr-15	13.15	12.75
16-Apr-15	12.83	12.43
23-Apr-15	13.40	13.00
30-Apr-15	12.68	12.28
7-May-15	12.55	12.15
14-May-15	13.00	12.60
6-Aug-15	12.70	12.30

The Equities Market

CBN policies spur renewed optimism...index up 1.82%

Equity transactions on the Local bourse closed the week positive as investors' showed renewed optimism following the outcome of the MPC meeting. Gains were bolstered by positive sentiment in shares of PZ, Flour Mills and Mobil Plc. The ASI rose 1.82 percent to settle at 34,543.05 as against a decline of 4.11 percent last week. Similarly, market capitalization firmed up by N163.17billion to settle at N11.40trillion.

Improvement in activity level.....

The volume of equities traded for the week improved by 53.68% as investors staked N28.23billion on 2.09billion shares exchanged in 22,865 deals compared to 1.36billion shares valued at N14.56billion traded last week. The financial services sector remained the most active, accounting for over 70.00% of market volume with Zenith Bank and FBN Holding as key drivers.

Oil & Gas index leads sector performance.....

The NSE-OIL&GAS index posted the highest return for the week by 6.81% on positive posture in the shares of Forte, Mobil and Eterna Oil Plc; the NSE-CON.GOODS index rose 6.32% while the NSE-BANKING index and the NSE-INSURANCE index firmed up by 3.09% and 2.45% respectively. Conversely, the NSE-IND.GOODS index declined 1.62% on losses in the shares of Dangote Cement Plc.

Market breadth closed negative.....

Market breadth closed positive for the week with 49 equities appreciating in price and 18 others declining. Top advancers for the week include: PZ 28.38%, LIVESTOCK 22.50%, FLOURMILL 21.20%, COSTAIN 20.24% and DANGSUGAR 19.76%. Contrarily, INTBREW led the losers chart with 10.34%, EVANSMED 9.55%, AIICO 7.06%, FIDELITYBK 5.88% and DANGFLOUR 4.89% bring market year-to-date return to -16.42%.

Weekly Statistics

	28/11/2014	21/11/2014	Change
ASI	34,543.05	33,926.18	1.82%
CAP	₦11.40tn	₦11.24tn	₦163.17bn
VOLUME	2.09bn	1.36bn	53.68%
VALUE	₦28.23bn	₦14.56bn	93.89%
DEALS	22,865	20,844	9.70%

Top Gainers

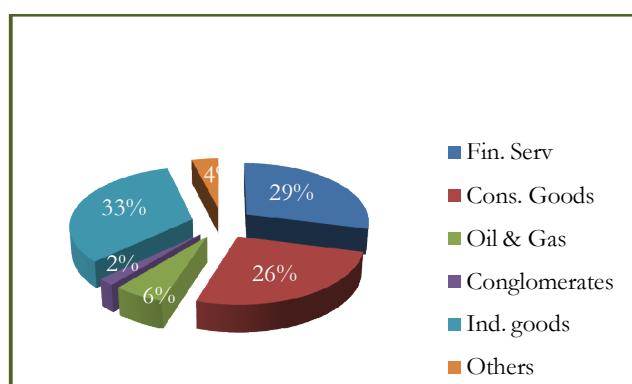
Symbol	Previous	Current	Return
PZ	₦22.80	₦28.50	28.38%
LIVESTOCK	₦2.00	₦2.45	22.50%
FLOURMILL	₦41.51	₦50.31	21.20%
COSTAIN	₦0.84	₦1.01	20.24%
DANGSUGAR	₦5.82	₦6.97	19.76%
MAYBAKER	₦1.43	₦1.70	18.88%
UBA	₦4.37	₦5.13	17.39%
DIAMONDBNK	₦5.50	₦6.20	12.73%
OKOMUOIL	₦26.80	₦30.00	11.94%
UBCAP	₦1.61	₦1.80	11.80%

Top Losers

Symbol	Previous	Current	Return
INTBREW	₦29.00	₦26.00	(10.34%)
EVANSMED	₦2.20	₦1.99	(9.55%)
AIICO	₦0.85	₦0.79	(7.06%)
FIDELITYBK	₦1.70	₦1.60	(5.88%)
DANGFLOUR	₦6.55	₦6.23	(4.89%)
CWG	₦4.56	₦4.34	(4.82%)
DANGCEM	₦189.00	₦179.90	(4.81%)
PAINTCOM	₦1.60	₦1.53	(4.38%)
WAPIC	₦0.69	₦0.66	(4.35%)
REDSTAREX	₦4.20	₦4.04	(3.81%)

	28/11/2014	21/11/2014	Change
NSE-30	1,575.87	1,527.82	3.15%
NSE-Banking	366.13	355.17	3.09%
NSE-Insurance	147.71	144.18	2.45%
NSE-Consumer goods	899.60	846.10	6.32%
NSE-Oil&Gas	416.86	390.28	6.81%
NSE-Industrial goods	2,020.88	2,054.21	(1.62%)

Market cap by sectors



Global Markets

Market	Current	Previous	week rtn
DJIA	17,827.75	17,810.06	0.10%
FTSE	6,718.81	6,750.76	-0.47%
NIKKEI	17,459.85	17,357.51	0.59%
S.AFRICA	49,911.37	50,855.09	-1.86%
BRAZIL	55,214.73	56,084.04	-1.55%
INDIA	8,588.25	8,477.35	1.31%

TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
UBA	₦5.13	17.39%	33,628	9M'14	-10.02%	₦9.33	₦1.02	₦9.41
FBNH	₦9.95	6.76%	55.626	9M'14	-5.85%	₦15.86	₦1.70	₦16.77
CCNN	₦11.29	4.54%	1,729	9M'14	56.75%	N/A	₦1.38	₦15.75
DANGSUGAR	₦6.97	19.76%	9,147	9M'14	-5.01%	₦12.58	₦0.76	₦12.27
ETI	₦17.50	2.64%	52,491	9M'14	31.33%	₦25.00	₦3.29	₦19.00
ASHAKACEM	₦22.70	(0.83%)	4,365	9M'14	103.40%	₦38.00	₦1.95	₦34.17
AFRIPRUD	₦3.00	0.00%	828	9M'14	35.47%	₦4.27	₦0.40	₦4.10
ZENITH	₦20.52	(2.05%)	71,046	9M'14	5.60%	₦30.98	₦2.26	₦27.40
UBCAP	₦1.80	11.80%	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	
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%	
STDALLIANCE	9M'14	3,738	3,779	1.08%	657	(239)	374.00%	
STDALLIANCE	H1'14	2,525	3,779	33.19%	330	(239)	237.64%	
STDALLIANCE	Q1'14	1,423	3,779	62.34%	(474)	(382)	-24.01%	

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