



**On CBN’s Financial Stability Report.....**

According to the CBN’s financial stability report released on the 4<sup>th</sup> of September 2014, a total of 21 banks and 14 foreign subsidiaries of Nigerian banks were examined. It was observed that most banks had a stable outlook in their composite risk rating and saw significant improvements in their internal audit and financial analysis functions. Also, a stress test was conducted on their December 2013 accounts which showed that the banking industry was stable and resilient.

However, the apex bank noted the need for improvements in their corporate governance and risk management practices.

**Interbank lending rates.....**

The payment of N369.51billion worth maturing bills which hit the system on Thursday was unable to offset the effect of mop up by way of Treasury bills worth N284.37billion from the financial system. Consequently, interbank rates firmed up by 0.06percent to an average of 12.94percent, compared to an average of 12.89percent seen last week. The Overnight rate declined by 0.54% to 11.67% while the 30-day, 90-day and the 180-day rates eased by 0.07%, 0.15% and 0.09% to 12.49%, 13.31% and 14.30% respectively.

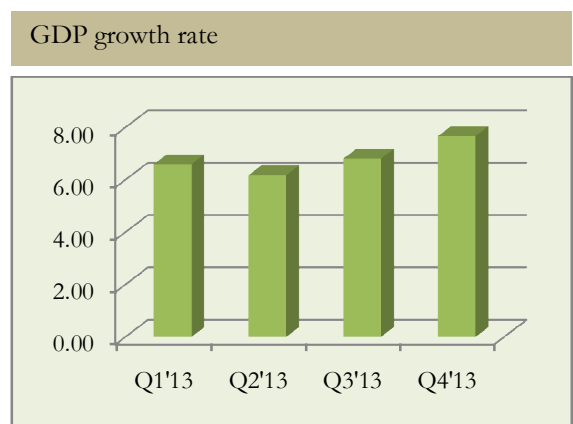
**Reserve movement.....**

Nigeria’s external reserve firmed up by \$43.61million to \$39.65billion at the close of the week, representing an increase of 0.16percent when compared to \$39.59billion seen last week. In comparison to \$43.61billion as at December 31<sup>st</sup> 2013, the country’s external reserve has declined 9.07%.

**Exchange Rate.....**

At the interbank market, the Naira weakened against the U.S dollar by 0.13 percent to N162.56/\$ from N162.35/\$ recorded last

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



**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 firmed up to an average of 12.94% for the week.

## FIXED INCOME REPORT

- **Local currency**

Interbank rates continued to ease during the week owing to excess CRR credit as well as Treasury bills and OMO maturities which boosted market liquidity. Open buy back (OBB) and over night (O/N) rates opened at 11.215% and 11.54% and closed at 10.46% and 10.71% respectively.

- **Bonds/treasury bills**

Cautious and muted market was witnessed at the OTC space; However demand was later fuelled by the European Central Bank interest rate cut. At the Treasury bills Primary Market Auction, ₦27.85billion worth of 91day treasury paper was offered and sold at a discount stop rate of 9.79%. However, ₦65.00billion and ₦90.0billion worth of 182 and 364 day bill were offered while ₦50billion and ₦105.0billion were allotted at the discount stop rates of 10.17% and 10.3519% respectively. Total subscription stood at ₦284.37billion. In line with monetary stance, the apex bank offered ₦ 100 billion worth of OMO bill however, sold a total of ₦ 196.32billion at the discount stop rate of 10.8%.

- **Outlook for the coming week**

In the week ahead, we expect the redemption of OMO bill worth ₦200.0billion.

### **Auction Result**

#### **Primary Market Auction**

Auction Date	03/09/2014	03/09/2014	03/09/2014
Tenor	91 Day	182 Day	364 Day
Auction	Primary Market	Primary Market	Primary Market
Maturity Date	04/12/2014	05/03/2015	02/09/2015
Total Subscription	44.93bn	65.18bn	174.26bn
Total Successful	27.85bn	50.0bn	105.0bn
Range Bid	9.00%-14.00%	9.00%-12.1752%	9.99%-12.5189%
Successful Bid Rates	9.00%-9.79%	9.00%-10.17%	9.99%-10.3519%
Rate	9.79	10.17	10.3519
Amtoffered	27.85bn	65.00bn	90.00bn

#### **OMO Auction**

Auction Date	01/09/2014	04/09/2014
Tenor	136	133
Auction	OMO	OMO
Maturity Date	15/01/2015	15/01/2015
Total Subscription	81.05bn	115.27bn
Total Successful	81.05bn	115.27bn
Range Bid	10.80%-10.80%	10.80%-10.80%
Successful Bid Rates	10.80%-10.80%	10.80%-10.80%
Rate	10.80%	10.80%
Amtoffered	50.0bn	50.0bn

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	10.76	8.44	99.88	100.03
4.00 23-APR-2015	23-Apr-10	23-Apr-15	11.00	10.73	95.83	95.98
13.05 16-AUG-2016	16-Aug-13	16-Aug-16	11.31	11.22	102.95	103.10
15.10 27-APR-2017	27-Apr-12	27-Apr-17	11.29	11.23	108.45	108.60
9.85 27-JUL-2017	27-Jul-07	27-Jul-17	11.31	11.25	96.46	96.61
9.35 31-AUG-2017	31-Aug-07	31-Aug-17	11.31	11.25	95.14	95.29
10.70 30-MAY-2018	30-May-08	30-May-18	11.34	11.23	98.07	98.37
16.00 29-JUN-2019	29-Jun-12	29-Jun-19	11.36	11.29	116.80	117.10
7.00 23-OCT-2019	23-Oct-09	23-Oct-19	11.47	11.38	83.01	83.31
16.39 27-JAN-2022	27-Jan-12	27-Jan-22	11.92	11.87	121.50	121.80
14.20 14-MAR-2024	14-Mar-14	14-Mar-24	11.97	11.92	112.45	112.75
15.00 28-NOV-2028	28-Nov-08	28-Nov-28	12.39	12.35	117.23	117.53
12.49 22-MAY-2029	22-May-09	22-May-29	12.41	12.37	100.46	100.76
8.50 20-NOV-2029	20-Nov-09	20-Nov-29	12.44	12.39	73.33	73.63
10.00 23-JUL-2030	23-Jul-10	23-Jul-30	12.15	12.10	85.00	85.30
12.1493 18-JUL-2034	18-Jul-14	18-Jul-34	12.17	12.13	99.80	100.10

### Treasury Bills

Maturity	Bid Discount (%)	Offer Discount (%)
18-Sep-14	10.35	10.10
25-Sep-14	10.15	9.90
2-Oct-14	10.40	10.15
9-Oct-14	10.10	9.85
16-Oct-14	10.40	10.15
23-Oct-14	10.30	10.05
30-Oct-14	10.40	10.15
6-Nov-14	10.20	9.95
13-Nov-14	10.70	10.45
20-Nov-14	10.10	9.85
27-Nov-14	10.80	10.55
4-Dec-14	9.70	9.45
11-Dec-14	10.80	10.55
25-Dec-14	10.55	10.30
1-Jan-15	10.90	10.65
8-Jan-15	10.75	10.50
15-Jan-15	10.80	10.55
22-Jan-15	10.25	10.00
5-Feb-15	10.60	10.35
19-Feb-15	10.30	10.05
5-Mar-15	10.35	10.10
9-Apr-15	10.20	9.95
23-Apr-15	10.30	10.05
7-May-15	10.15	9.90

## The Equities Market

### **Sell pressure drags index down 89bps.....**

The equities market plunged further into negative territory for the second consecutive week on sell pressure, losing 0.89% to close at 41,160.62 compared to a decline of 0.08% recorded last week. Consequently, market capitalization shed N122.74billion to settle at N13.59trillion.

### **ETI buoys activity level.....**

Market turnover by way of volume traded for the week rose 144.78% to 3.28billion valued at N52.81billion in 25,592 deals as against 1.34billion worth N16.09billion traded last week. The Financial services sector remained the most active, accounting for 82.32% of market volume; Ecobank Transnational Plc boosted activity in the sector.

### **Most sector indices close negative.....**

The NSE-BANKING index was the lone gainer for the week with an upside of 1.60% primarily on positive posture in the shares of Ecobank Transnational and Union Bank Plc while other sector indices closed negative.

The NSE-OIL&GAS index was down 4.08% on sell pressure from the shares of Conoil and Oando Plc; the NSE-CON.GOODS index shed 2.66% while the NSE-IND.GOODS index and the NSE-INSURANCE index declined 1.76% and 1.29% respectively.

### **Market breadth sustains negative stance.....**

Market breadth for the week closed negative with 24 advancers and 51 decliners. PREMBREW led gainers with a 52.40% upside, IKEJAHOTEL 29.87%, RTBRISCOE 14.94%, FIDSON 10.81%, NNFM 10.53%. Conversely, VONO topped the losers chart with 17.14%, CORNERST 10.53%, CADBURY 7.97%, WAPIC 7.59% and DANGSUGAR 6.75%. Market year to date return now stands at -0.41%.

## Weekly Statistics

	05/09/2014	22/08/2014	Change
ASI	41,160.62	41,532.31	(0.89%)
CAP	₦13.59tn	₦13.71tn	(₦122.74bn)
VOLUME	3.28bn	1.34bn	144.78%
VALUE	₦52.81bn	₦16.09bn	228.22%
DEALS	25,592	22,481	13.84%

## Top Gainers

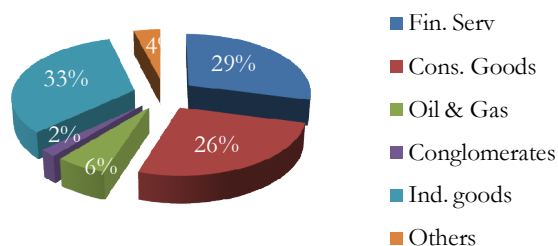
Symbol	Previous	Current	return
PREMBREW	₦2.08	₦3.17	52.40%
IKEJAHOTEL	₦0.77	₦1.00	29.87%
RTBRISCOE	₦0.87	₦1.00	14.94%
FIDSON	₦3.33	₦3.69	10.81%
NNFM	₦19.95	₦22.05	10.53%
MAYBAKER	₦1.42	₦1.53	7.75%
ETI	₦16.90	₦17.86	5.68%
UBN	₦8.10	₦8.56	5.68%
TRANSCORP	₦6.10	₦6.40	4.92%
ETERNA	₦3.72	₦3.90	4.84%

## Top Losers

Symbol	Previous	Current	return
VONO	₦1.05	₦0.87	(17.14%)
CORNERST	₦0.57	₦0.51	(10.53%)
CADBURY	₦59.85	₦55.08	(7.97%)
WAPIC	₦0.79	₦0.73	(7.59%)
DANGSUGAR	₦8.74	₦8.15	(6.75%)
CONOIL	₦65.05	₦61.00	(6.23%)
WEMABANK	₦0.97	₦0.91	(6.19%)
CAVERTON	₦5.32	₦5.00	(6.02%)
OANDO	₦27.45	₦25.85	(5.83%)
ACCESS	₦9.90	₦9.33	(5.76%)

	05/09/2014	29/08/2014	Change
<b>NSE-30</b>	1,870.68	1,885.26	(0.77%)
<b>NSE-Banking</b>	426.18	419.45	1.60%
<b>NSE-Insurance</b>	142.31	144.18	(1.29%)
<b>NSE-Consumer goods</b>	1,002.81	1,030.20	(2.66%)
<b>NSE-Oil&amp;Gas</b>	458.82	478.34	(4.08%)
<b>NSE-Industrial goods</b>	2,672.58	2,720.52	(1.76%)

### Market cap by sectors



### Global Markets

Market	Current	Previous	week rtn
DJIA	17,069.58	17,098.45	-0.17%
FTSE	6,836.05	6,819.75	0.24%
NIKKEI	15,668.68	15,424.59	1.58%
S.AFRICA	51,658.18	50,959.02	1.37%
BRAZIL	60,800.02	61,288.15	-0.80%
INDIA	8,086.85	7,954.35	1.67%

### TOP TEN BUY RECOMMENDATION

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
NPFMCRFBK	₦0.99	(1.00%)	338	H1'14	33.93%	₦2.60	0.15	₦1.12
DANGSUGAR	₦8.15	(6.75%)	6,835	H1'14	-2.54%	₦12.58	0.57	₦12.27
FIDSON	₦3.69	10.81%	310	H1'14	4.09	₦4.62	0.21	₦3.33
ETI	₦17.86	5.68%	31,629	H1'14	14.90%	₦25.00	1.98	₦18.33
ASHAKACEM	₦32.50	(2.99%)	3,518	H1'14	204.19%	₦38.00	1.57	₦34.17
ACCESS	₦9.33	(5.76%)	22,587	H1'14	27.06%	₦11.65	0.99	₦11.34
AFRIPRUD	₦3.26	(2.98%)	551	H1'14	14.19%	₦4.27	0.28	₦4.10
ZENITH	₦24.25	(1.42%)	47,445	H1'14	8.26%	₦30.98	1.51	₦27.40
UBCAP	₦2.17	(1.36%)	1,245	H1'14	23.55%	₦3.90	0.21	₦2.91
CUSTODYINS	₦3.95	0.76%	2,276	H1'14	100.08%	N/A	0.39	₦4.03

### Earnings Update

Symbol	Period	Turnover (₦'m)			Profit (₦'m)			Corp. Action
		Present	Previous	%change	Present	Previous	%Change	
GUINNESS	FY'14	109,202	122,463	-10.83%	9,573	11,863	-19.30	N3.20
DAARCOMM	FY'12	4,233	5,144	-17.71%	273	2,692	-89.83%	
FLOURMILLS	Q1'14	83,947	88,963	-5.64	2,822	3,361	-22.27	
ETERNA	H1'14	13,979	47,856	-70.79	974	658	47.87	
JOHNHOLT	9M'14	1,851	2,133	-13.22	(395)	(607)	34.93	
ACCESS	H1'14	117,932	102,356	15.22	22,587	21,097	7.06	25kobo
AUSTINLAZ	H1'14	158	197	-19.52	(4)	21	-119.80	
GUARANTY	H1'14	132,985	124,202	7.07	44,008	49,014	-10.21	25kobo
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	

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