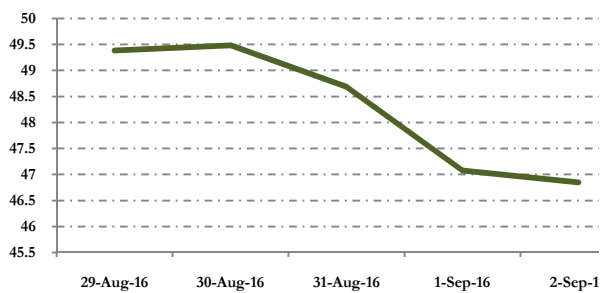


## Key Statistics

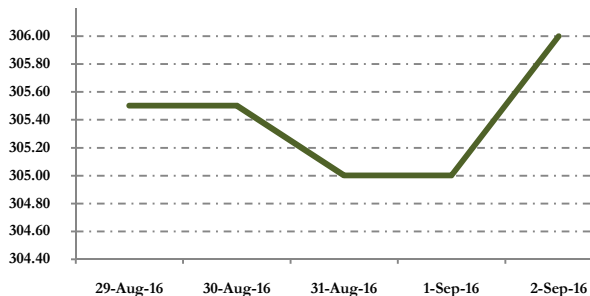
	Current	Previous	%change
Inflation	17.10%	16.50%	(0.60%)
GDP	-2.06%	-0.36%	(2.42%)
MPR	14.00%	12.00%	2.00%
Brent Crude	\$46.85	\$49.81	(5.94%)
Foreign Reserve	\$25.42bn	\$25.54bn	(0.47%)
Exchange rate	N306.00/\$	N304.50/\$	0.49%
NIBOR (Av.)	18.31%	18.14%	0.14%

Source: FMDQ, NBS, CBN, Planet Capital Research

## One Week Oil price movement – Brent Crude



## 1-Week Exchange rate movement



Source: FMDQ, Planet Capital Research

## Global Markets

Index	02/09/2016	26/08/2016	Change (%)
S&P 500	2,170.86	2,169.04	0.08%
FTSE 100	6,815.85	6,838.05	(0.32%)
DJIA	18,419.30	18,395.40	0.13%
NIKKEI	16,925.68	16,360.71	3.45%
DAX	10,562.29	10,587.77	(0.24%)
JALSH	53,200.59	53,506.62	(0.57%)
IBOV INDEX	58,236.27	57,716.25	0.90%
NIFTY	8,809.65	8,572.55	2.77%
MICEX	1,998.74	1,993.35	0.27%
SHCOMP	3,067.35	3,070.31	(0.10%)

Source: Bloomberg, Planet Capital Research

## Global Economic Update

Despite multiple rounds of stimulus, Euro area Consumer Price Index remains stable at 0.20 percent in August. Core inflation rate dropped from 0.90 percent to 0.80 percent, reflecting that inflation rate in the Euro area is stuck in neutral as oil price effect is fading out.

Global markets posted mixed performance this week, the S&P 500 index rose 0.08 percent; Dow Jones Industrial index (DJIA) was up 0.13 percent while the FTSE-100 index posted a -0.32 percent return. Germans' DAX index and France's CAC-40 declined by 0.24 percent and 1.22 percent respectively. Emerging markets also posted negative returns. China SHCOMP index closed lower by 0.10 percent, Brazil's IBOV index increased by 0.90 percent; Russia's MICEX index closed higher by 0.27 percent; South Africa JALSH edged lower by 0.57 percent while Indian's NIFTY gained 2.77 percent.

Brent crude price declined further by 5.94 percent to \$46.85 a barrel from \$49.81 per barrel last Friday.

## Domestic Economy

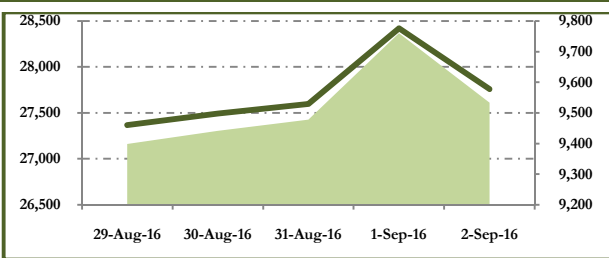
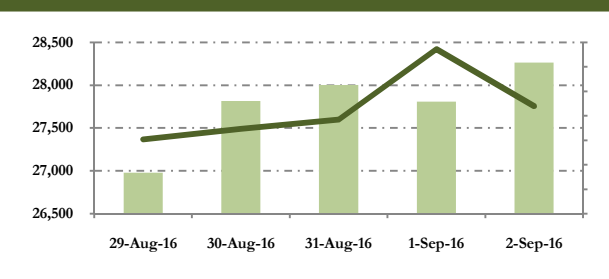
The Nation's economy contracted further in the second quarter of 2016, declining by 2.06 percent y-o-y, a 1.07 percent and 4.42 percent drop from -0.36 percent and 2.36 percent recorded in the preceding quarter and corresponding quarter of 2015 respectively.

Oil sector contracted by 17.48 percent y-o-y compared to a -1.89 percent decline and -6.80 percent growth in Q1'16 and Q2'15 respectively. Non-oil sector contracted by -0.38 percent y-o-y from -0.18 percent in Q1'16 and 3.46 percent in Q2'15. The further contraction in Gross Domestic Product (GDP) to -2.06 percent in the second quarter was primarily due to decline in crude oil output.

Likewise, the National Bureau of Statistics released July inflation figures this week. The Headline index increased by 17.1% y-o-y compared to 16.50 percent seen in June. That is in line with our 17.00 percent forecast for the month of July. Food sub-index increased by 15.8% y-o-y while Core sub-index increased by 16.9% Y-o-y. Urban inflation also rose to 18.9% y-o-y and rural inflation to 15.5% y-o-y.

**Weekly Statistics**

	02/09/2016	19/04/2016	Change
ASI	27,756.67	27,450.91	1.11%
CAP	₦9.53tn	₦9.43tn	N106.57bn
VOLUME	1.12Bn	1.12Bn	0.89%
VALUE	₦13.82bn	₦13.84bn	(0.14%)
DEALS	16,083	15,625	2.93%

**1-Week Index Vs Market Cap**

**Weekly Index Vs Volume(mn)**

**Top gainers**

Symbol	Current	Previous	Return
7UP	₦144.90	₦113.00	28.23%
WEMABANK	₦0.75	₦0.64	17.19%
SEPLAT	₦318.33	₦275.000	15.76%
PRESKO	₦45.30	₦40.49	11.88%
SKYEBANK	₦0.64	₦0.59	8.47%
FCMB	₦1.15	₦1.08	6.48%
AIICO	₦0.66	₦0.62	6.45%
MOBIL	₦170.78	₦162.65	5.00%
FBNH	₦3.18	₦3.03	4.95%
CAP	₦31.57	₦30.09	4.92%

**Top losers**

Symbol	Current	Previous	Return
MAYBAKER	₦0.81	₦1.01	(19.80%)
UNITYBNK	₦0.75	₦0.84	(10.71%)
JBERGER	₦43.69	₦48.39	(9.71%)
CUTIX	₦1.50	₦1.65	(9.09%)
AFRIPRUD	₦2.52	₦2.75	(8.36%)
NEM	₦0.83	₦0.90	(7.78%)
FIDELITYBK	₦0.92	₦0.97	(5.15%)
CONOIL	₦20.57	₦21.65	(4.99%)
OANDO	₦4.76	₦5.00	(4.80%)
TRIPPLEG	₦1.46	₦1.53	(4.58%)

**Indicators closed green on renewed optimism..... Up 1.11%**

Market indicators closed the week on a positive note as investors showed renewed optimism for stocks in the OIL&GAS and CONSUMER GOODS counters. The benchmark index firmed up by 1.11 percent to close at 27,756.67 compared to a decline of 0.72 percent seen last week. Consequently, market capitalisation improved by N106.57billion to settle at N9.53trillion.

**Lull in activity level.....**

Turnover declined by 0.89 percent as investors exchanged 1.11billion shares valued at N13.82billion in 16,083 deals as against 1.12billion shares worth N13.84billion traded last week. The financial services sector remained the most active, accounting for over 78 percent of total market volume. Shares of Zenith Bank Plc boosted activity in the financial services sector.

**Most sector indices closed lower.....**

The NSE-OIL&GAS index firmed up by 4.12 percent on gains in Seplat and Mobil Plc; the NSE-CON.GOODS index improved by 1.13 percent on positive posture in 7UP and Cadbury Plc; the NSE-INSURANCE index was up 0.89 on renewed optimism in AIICO and Mansard Insurance Plc while the NSE-BANKING index rose 0.70 percent. On the contrary, the NSE-IND.GOODS indices shed 0.24 percent on losses in Lafarge Africa and Ashaka Cement Plc.

**Market breadth sustains positive stance.....**

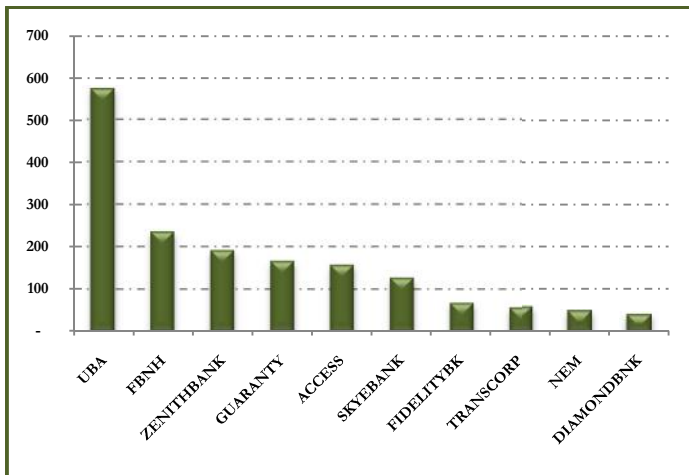
Market breadth closed flat with 27 advancers and 27 decliners. 7UP posted the highest gain by 28.23 percent, WEMABANK 17.19 percent, SEPLAT 15.76 percent, PRESKO 11.88 percent and SKYEBANK 8.47 percent. On the Other hand, MAYBAKER led the losers chart by 19.80 percent, UNITYBNK 10.71 percent, JBERGER 9.71 percent, CUTIX 9.09 percent and AFRIPRUD 8.36 percent.

## Sector Performance

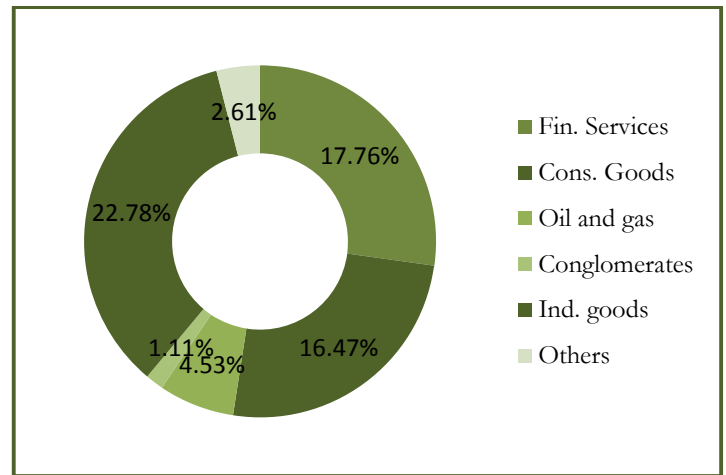
SECTOR ANALYSIS	02/09/2016	26/08/2016	WK RETURN (%)	YTD RETURN (%)
NSE-30	1,240.12	1,256.33	0.84%	(3.69%)
NSE-BANKING	286.54	283.78	0.70%	6.72%
NSE-INSURANCE	129.58	129.65	0.89%	(9.40%)
NSE-CON.GOODS	722.45	721.17	1.13%	(3.18%)
NSE-OIL&GAS	310.90	307.45	4.12%	(12.81%)
NSE-IND.GOODS	1,823.44	1,925.96	(0.24%)	(15.84%)

Source: NSE, Planet Capital Research()

## Top Volume(mn)



## Market Cap by sectors



## Buy Recommendation

SYMBOL	CLOSE	WK RTN	PAT (N'm)	PERIOD	CHANGE	TARGET PRICE	EPS	52wk high
FLOURMILLS	₦19.75	(1.30%)	4,416	Q1'16	354.79%	UR	₦1.68	₦26.32
PRESCO	₦45.30	11.88%	3,013	H1'16	152.56%	UR	₦3.01	₦40.49
UCAP	₦2.29	(3.38%)	3,592	H1'16	154.93%	UR	60Kobo	₦2.68
UBA	₦4.34	(2.25%)	16,986	Q1'16	0.18%	₦5.51	47Kobo	₦5.40
DANGSUGAR	₦6.50	(0.15%)	7,382	H1'16	16.91%	HOLD	₦0.60	₦7.74
AIICO	₦0.66	6.45%	1,391	H1'16	78.56%	₦1.70	₦0.39	₦1.19
CONTINSURE	₦20.57	(4.99%)	2,248	H1'16	12.52%	₦1.23	₦0.15	₦1.10
ACCESS	₦5.61	0.18%	39,489	H1'16	26.22%	₦7.18	₦1.36	₦7.00
AFRIPRUD	₦2.52	(8.36%)	264	H1'16	-64.75%	₦3.99*	54Kobo	₦3.37
ZENITHBANK	₦14.80	(3.27%)	44,843	H1'16	-15.68%	HOLD	₦0.85	₦25.05

\*Revised upward

**EARNINGS UPDATE**

SYMBOL	PERIOD	TURNOVER (N'mn)			PAT (N'mn)			CORP. ACTION
		PRESENT	PREVIOUS	%CHANGE	PRESENT	PREVIOUS	%CHANGE	
PZ	FY'15/16	69,527	73,126	-4.92%	2,130	4,570	-53.39%	50Kobo
GUARANTY	H1'16	209,871	152,994	37.18%	77,464	53,377	45.13%	25Kobo
ZENITHBANK	H1'16	214,812	229,082	-6.23%	82,914	86,301	-3.92%	25Kobo
FO	H1'16	84,422	61,166	38.02%	2,234	2,530	-11.70%	
SKYE	FY'15	163,878	145,718	12.46%	(40.726)	18,717	-317.59%	
MANSARD	H1'16	13,218	10,569	25.06%	2,264	1,075	110.60%	
NEM	H1'16	5,894	6,428	-8.31%	1,123	1,584	-29.10%	
FBNH	H1'16	271,960	274,506	-0.93%	35,852	40,061	-10.51%	
FIDSON	H1'16	2,610	4,034	-35.30%	40	325	-87.69%	
FLOURMILLS	FY'15/16	342,586	308,756	10.96%	14,422	8,463	70.41%	
CAP	H1'16	3,447	3,558	-3.12%	782	869	-10.01%	
REDSTAREX	FY'15/16	6,632	6,658	-0.39%	335	384	-12.76%	
OANDO	Q1'16	27,725	30,649	-9.54%	4,101	(20,911)	-119.61%	
OANDO	FY'15	161,489	92,912	73.81%	(31,198)	(93,633)	-66.68%	
CHELLARAMS	FY'15/16	20,086	25,063	-19.86%	157	(3,161)	-104.97%	
RAK	FY'15/16	6,682	7,246	-7.78%	53	89	-40.45%	
ROYALEX	Q1'16	5,781	3,622	59.61%	154	36	327.78%	
7UP	FY'15/16	85,634	82,450	3.86%	3,347	7,154	-53.21%	
ROYALEX	FY'15	10,790	9,425	14.48%	2,377	3,391	-29.90%	
CADBURY	Q1'16	7,121	6,731	5.79%	674	(304)	321.71%	
CADBURY	FY'15	27,825	30,518	-8.82%	1,154	2,139	-46.05%	
UACN	Q1'16	17,517	17,729	-1.20%	1,320	1,677	-21.29%	
TOTAL	Q1'16	59,704	60,042	-0.56%	2,826	449	529.40%	
DANGCEM	Q1'16	140,521	114,738	22.47%	52,779	68,620	-23.09%	
ACCESS	Q1'16	83,546	63,661	31.24%	19,418	13,668	42.07%	
MOBIL	Q1'16	22,680	16,499	37.46%	1,817	1,490	21.96%	
UBN	Q1'16	27,275	27,283	-0.03%	4,719	2,307	104.55	
UBA	Q1'16	74,134	83,098	-10.79%	16,986	16,956	0.18%	

## FIXED INCOME REPORT

### Market Commentary

**The Treasury bills market** opened with low activity on Monday; yields gained by 5 bps as the CBN conducted an OMO of 199 day bills which closed at 18%. The CBN conducted OMO auctions of 212 and 345 day bills which closed at 18 & 18.5% respectively on Tuesday, this led to a sell off with rates gaining by an average of 20 bps. Activity in the bills market was mixed on Wednesday with rate movements diverging across maturities; overall rates gained by 40 bps. Rates opened with a bullish bent on Thursday off the lower stop rates from the PMA, this reversed as the CBN conducted an auction of 224 & 350 day OMO bills, rates dropped by 14 bps. Trading was mixed on Friday with rates closing flat around previous levels.

**The FGN bond market** traded quiet on Monday, with bearish bias as yields gained by 5 bps. Anticipation of higher inflation figures drove yields up by 6 bps on Tuesday. Trading was mixed on Wednesday with an initial sell off on release of inflation figure at 17.1%, this reversed as demand came in from market participants with yields dropping by 13 bps. The bonds market traded quiet but bullish on Thursday with local demand filtering in; yields closed lower by 6 bps. The bond market closed marginally bullish on Friday with yields dropping by an average of 8 bps.

### OUR OUTLOOK

**Rates** were bearish this week in the bills market due to repeated OMO auctions while the bonds market traded mixed as inflation figure was released at 17.1% while demand came in from market participants.

An OMO repayment of 293 Billion is expected on Thursday 8<sup>th</sup> September. We expect trading to be mixed next week as the CBN seeks to mop up the liquidity inflow.

### Market Indicators

FGN Bond Cap.(Nbillion)	4,273.99
FGN Bond Cap.(\$billion)	26.97

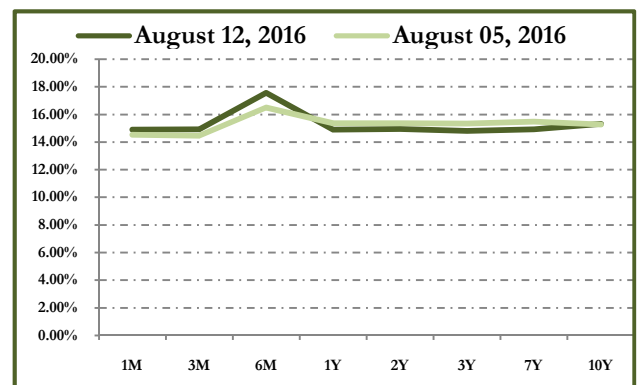
Source: DMO, Planet Capital Research

### NIBOR

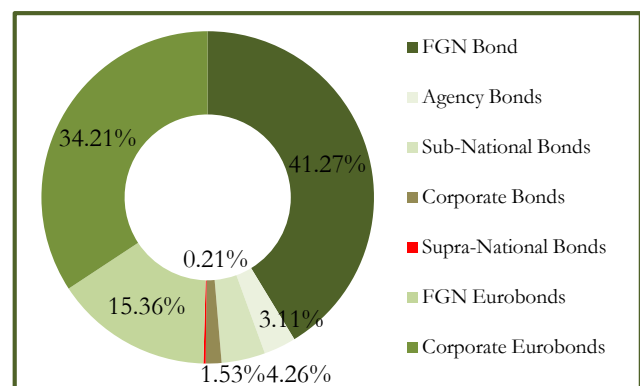
Tenor	Rate(Sept 02, 2016)	Rate(Aug 26, 2016)	Change (%)
O/N	18.51%	18.16%	0.35%
1M	16.65%	16.45%	0.20%
3M	17.73%	17.73%	0.00%
6M	20.36%	20.22%	0.14%

Source: FMDQ, Planet Capital Research

### Yield Curve



### Bond Market Capitalisation



**System Liquidity for the week 29<sup>th</sup> August – 2<sup>nd</sup> September 2016:**

DATE	LIQUIDTY POSITION(₦'000,000)	OBB RATE (%)	OVERNIGHT RATE (%)
29-August-16	76,099	10.33	11.67
30-August-16	211,697	20.00	22.00
31-August-16	24,278	16.00	17.67
01-September-16	n/a	17.50	19.92
02-September16	118,702	13.00	15.33

**EUROBOND CLOSING PRICES**

Issuers	Ticker	Fitch	S&P	Bid px	Ask px	Bid %	Ask %
REPUBLIC OF NIGERIA	NGERIA 5 1/8 07/12/18	B+	B+	100.5	101.5	4.84	4.27
REPUBLIC OF NIGERIA	NGERIA 6 3/4 01/28/21	B+	B+	101.75	102.75	6.29	6.03
REPUBLIC OF NIGERIA	NGERIA 6 3/8 07/12/23	B+	B+	99	99.75	6.56	6.42
ACCESS FINANCE BV	ACCESS 7 1/4 07/25/17	B	B+	99.875	100.75	7.38	6.35
ACCESS BANK PLC	ACCESS 9 1/4 06/24/21	B-	B-	82	84	17.66	16.61
DIAMOND BANK PLC	DIAMBK 8 3/4 05/21/19	B	B- /*-	73	75.5	22.6	21.06
EBN FINANCE CO BV	ECOTRA 8 3/4 08/14/21	-	B-	82.5	84.5	16.5	15.51
FIRST BNK NIGERIA	FBNNL 8 1/4 08/07/20	B-	CCC /*-	82.5	84.5	19.62	18.17
FIRST BNK NIGERIA	FBNNL 8 07/23/21	B-	CCC /*-	74	76	20.36	19.23
FIDELITY BANK PLC	FIDBAN 6 7/8 05/09/18	B	B	81	85	20.89	17.59
GTB FINANCE BV	GRTBNL 6 11/08/18	B+	B+	99.5	100.25	6.24	5.87
HELIOS TOWERS	HELTOW 8 3/8 07/15/19	B	B	96.5	100	9.8	8.37
SEVEN ENERGY	SEVENG 10 1/4 10/11/21	CCC	CCC-	52	57	28.73	25.9
ZENITH BANK PLC	ZENITH 6 1/4 04/22/19	B+	B+	97	97.75	7.53	7.2

**FGN BONDS CLOSING YIELDS**

Maturity	Bid Yield	Offer Yield
NIGB 16.00% JUN 19	14.81%	14.61%
NIGB 15.54% FEB 20	15.02%	14.81%
NIGB 16.39% JAN 22	14.74%	14.65%
NIGB 14.20% MAR 24	15.07%	14.85%
NIGB 12.50% JAN 26	15.28%	15.19%
NIGB 10.00% JUL 30	15.20%	15.08%
NIGB 12.1493% JUL 34	15.22%	15.13%
NIGB 12.40% MAR 36	14.81%	14.61%

**TREASURY BILLS CLOSING RATES**

Benchmark Treasury Bills		
22-Sep-16	13.49	13.24
6-Oct-16	16.44	16.19
13-Oct-16	14.04	13.79
20-Oct-16	15.40	15.15
27-Oct-16	14.08	13.83
3-Nov-16	16.09	15.84
17-Nov-16	13.93	13.68
1-Dec-16	14.99	14.74
8-Dec-16	13.77	13.52
15-Dec-16	13.54	13.29
29-Dec-16	13.90	13.65
5-Jan-17	17.08	16.83
19-Jan-17	15.05	14.80
2-Feb-17	18.04	17.79
16-Feb-17	16.90	16.65
23-Feb-17	16.99	16.74
2-Mar-17	17.75	17.50
9-Mar-17	17.30	17.05
16-Mar-17	17.79	17.54
23-Mar-17	17.00	16.75
30-Mar-17	17.84	17.59
6-Apr-17	17.87	17.62
20-Apr-17	15.33	15.08
4-May-17	17.90	17.65
11-May-17	16.23	15.98
1-Jun-17	17.94	17.69
15-Jun-17	17.89	17.64
29-Jun-17	17.85	17.60

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