

Week 31, TD5

Friday, 06th Aug 2010

Equity Markets – Highlights: The NSE Market Capitalisation and All-share Index both inched up 0.09% each. The intervention of the apex regulator in the NSE management erased uncertainty over market stability and strengthened investors’ confidence. The number of deals, volume and value of stocks traded rose 690.85%, 69.28% and 965.29% respectively. Financials were the most actively traded; accounting for 53.67% of volume of stocks traded whilst Petroleum Marketing sector contributed 29.46% to volume of traded stocks. The stocks of 136 companies were traded, of which 29 stocks appreciated whilst 30 stocks declined. We believe the renewed vigour in regulatory oversight would strengthen corporate governance, moderate risky behaviour, ensure timely rendition and disclosure of reliable financial information in the long run. However, the current uptrend may be short-lived. A sustainable uptrend would be anchored on the perception of the interim managers and evaluation of further initiatives taken to reposition the market.

Global equities markets declined as weak economic data heightened risk aversion in today’s trade. In the US, the slow pace of growth in private sector employment failed to offset the contraction in other segments of the labour market. The US economy lost 131,000 jobs in July. The high unemployment level suggests that underlying macroeconomic dynamics is weak and global economic recovery may be unsustainable without government stimulus support. Employment is a closely monitored variable because of its impact on consumer spending, corporate revenue and earnings. The Dow Jones, S & P 500 and NASDAQ fell 1.27%, 1.40% and 1.27% respectively. In Europe, market mood was negative as the UK’s FTSE100, Germany’s Dax 30 and France’s CAC 40 lost 0.62%, 1.17% and 1.28% respectively. In Asia, market benchmarks were mixed with the Japan’s Nikkei and South Korea’s KOSPI sliding 0.12% and 0.001% whilst Hong Kong’s Hang Seng and China’s Shanghai rose 0.59% and 1.44% respectively. We expect slowdown of government withdrawal of stimulus support to calm investors and stabilise global equities in the near term.

Money Markets-Highlights: NIBOR was mixed today due to liquidity. NIBOR on 7-day and 30-day obligations fell 1.92% and 0.81% respectively. The cost of 90-day borrowings inched up 1.18% whilst NIBOR on Call and 60-day borrowings were flat as excess liquidity depressed cost of borrowing between banks. We expect the anticipated injection of monthly budgetary allocations to add to existing liquidity to subdue interest rate in the coming week.

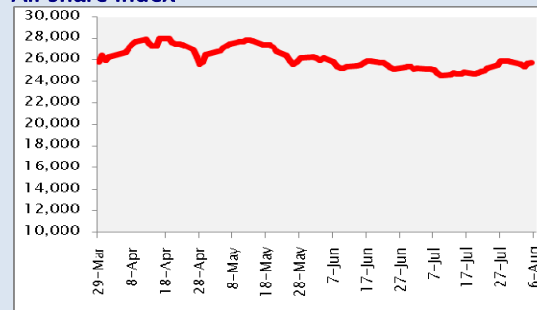
Equities (NSE) – Market Snapshot				
Indicator	Fri 06/08	Thur 05/08	Change	%
No of Deals	6,398	809	5,589	690.85
Vol. Traded	283.45mn	167.44mn	116.01 mn	69.28
Total Value	₦7.67bn	₦0.72bn	₦6.95bn	965.29
Mkt. Cap	₦6.29tr	₦6.29tr	₦5.72bn	0.09
All-Share Index	25,738.79	25,715.39	23.40	0.09

Company Results Released						
Company	Period	Current N’ bn		Previous N’ bn		Div (K) Bonus
		T’over	PAT	T’over	PAT	
Oceanic Bank	Q2’10	64.27	8.24	69.46	(40.93)	-
First Aluminium	Q2’10	4.55	0.07	4.31	(0.07)	-
Hallmark Insure	Q4’09	3.02	0.24	2.59	0.36	-

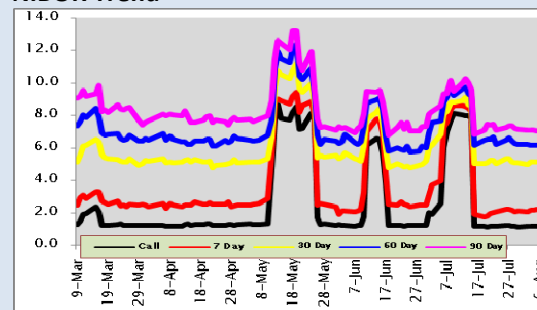
The Day’s Gainers & Losers

GAINERS				LOSERS			
Company	OP (₦)	CP (₦)	%	Company	OP (₦)	CP (₦)	%
Nascon	7.20	7.56	5.0	Union Diag	0.60	0.57	5.0
PZ Cussons	34.20	35.91	5.0	Fidson	3.00	2.85	5.0
NBC	34.10	35.80	5.0	Royal Exch.	0.61	0.58	4.9
U. Homes	0.84	0.88	4.8	Air Services	2.46	2.34	4.9
Afribank	1.91	2.00	4.7	Prestige	3.32	3.16	4.8

All share Index



NIBOR Trend



Money Market Trend

Tenor	Fri 06/08	Thur 05/08	Wed 04/08	Tue 03/08	Mon 02/08
Overnight	1.1167	1.1167	1.1167	1.1167	1.1250
7 Day	2.1250	2.1667	2.1250	2.1250	2.0000
30 Day	5.0833	5.1250	5.1250	5.0833	4.9583
60 Day	6.1250	6.1250	6.1250	6.1250	6.2083
90 Day	7.1250	7.0417	7.1250	7.0833	7.1250

FBN Heritage Fund @ 05 Aug '10

Bid Price	Offer Price
₦89.40	₦92.24

OP/CP = Opening Price /Closing Price