

Week 23, TD1

Monday, 7th June 2010

Equity Markets – Highlights: Sentiments in the equity market turned negative today. The NSE market capitalisation and All-share Index lost 1.39% to reverse gains from previous day's trading. As the AMC Bill scales the last legislative hurdle, the yet to be mutually agreed off take price for toxic assets between CBN and Finance Ministry as well as the shaky government earnings outlook fuelled bearish momentum. The number of deals, volume and value of traded stocks also fell 5.07%, 40.18% and 29.84% respectively. Volume was light relative to daily average as investors curb supply due to unattractive pricing. Financials dominated trading activities, accounting for 79.6% of volume (66.9% of value) of stocks traded. Trading on shares of Agricultural sector was also significant. Equities of 134 companies were traded today, of which the price of 14 stocks appreciated whilst 56 stocks declined. Whilst the market may be set for rebound, a prolonged recovery would be limited by liquidity and weak investors' confidence. Investor may however select stocks that are positively correlated with the market for short gains.

Fear that Hungary may slip into a Greece-like debt crisis combined with negative sentiments trailing weak US unemployment data, increased sell off across global equities markets today. In US, major indices were trending lower as the Dow Jones, S & P 500 and NASDAQ lost 0.15%, 0.18% and 0.82% respectively. In Europe, major regional market benchmarks' moved uniformly lower as Hungary budget cuts resonated concern over Europe's fragile fiscal health. The UK's FTSE100, Germany's Dax and France's CAC edged down 1.11%, 0.57% and 1.21% respectively. In Asia, speculation on China's economic growth prospect weakened market sentiment with the Japan's Nikkei 225, Hong Kong's Hang Seng, South Korea's KOSPI and China's Shanghai sliding 3.84%, 2.03%, 1.57% and 1.64% respectively. We expect global equities to remain unstable in the near term as investors factor fiscal issues into their investment decisions.

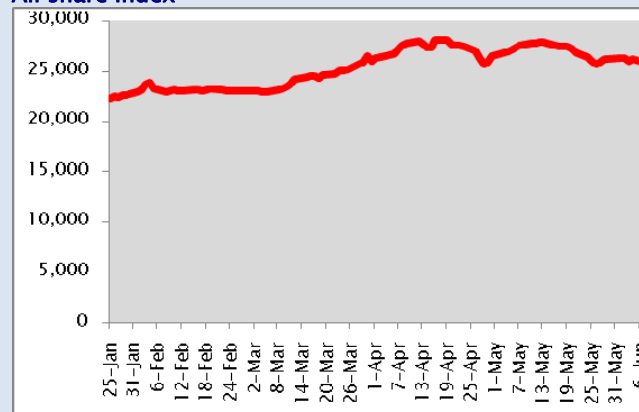
Money Markets –Highlights. NIBOR closed down today across tenors as lull persisted in the inter-bank market. Rates on Call, 7-day, 30-day, 60-day and 90-day tenors declined 0.72%, 4.23%, 5.88%, 7.25% and 4.35% respectively. We expect money market rates to sustain this trend as credit creations remain low.

Equities (NSE) – Market Snapshot

Indicator	Mon 7 Jun	Fri 4 Jun	Change	%
No. of Deals	6,083	6,408	(325)	(5.07)
Vol. Traded	282.72mn	472.59mn	(189.87)mn	(40.18)
Total Value	₦2.65bn	₦3.78bn	₦(1.13)bn	(29.84)
Mkt. Cap	₦6.27tr	₦6.36tr	₦(88.45)bn	(1.39)
All-Share Index	25,789.83	26,153.47	(363.64)	(1.39)

Company Results Released

Company	Period	₦' bn		₦' bn		Div (k) Bonus
		T'over	PAT	T'over	PAT	

All share Index

The Day's Gainers & Losers

GAINERS				LOSERS			
Company	OP (₦)	CP (₦)	%	Company	OP (₦)	CP (₦)	%
Flour Mill	67.06	70.41	5.0	Int'l Brew	6.80	6.46	5.0
CCNN	20.50	21.50	4.9	Niger Ins	1.20	1.14	5.0
Presco	6.10	6.40	4.9	Nlwi Cable	1.00	0.95	5.0
Union Bank	5.05	5.30	4.9	Diamond	8.40	7.98	5.0
Custodian Ins	3.50	3.67	4.9	Ikeja Hotel	2.20	2.09	5.0

Money Market Trend

Tenor	Mon 7/06	Fri 4/06	Thurs 3/06	Wed 2/06	Tue 1/06
Overnight	1.1583	1.1667	1.1750	1.2167	1.1917
7 Day	2.0000	2.0883	2.0833	1.8833	2.3417
30 Day	5.3333	5.6667	5.4167	5.3333	5.5000
60 Day	6.2917	6.7833	6.3333	6.2500	6.3750
90 Day	6.9583	7.2750	7.2083	7.2917	7.1250

FBN Heritage Fund @ 2 June '10

Bid Price	Offer Price
₦93.26	₦90.38

OP/CP = Opening Price /Closing Price

NIBOR Trend
