

Week 30, TD1

Monday, 26th July 2010

Equity Markets – Highlights: The NSE Market Capitalisation and All-share Index both rose 1.02% as market mood remained bullish. Nigerian banks' pledge of ₦1.0 trillion funding over ten years to AMCON in order to reduce the associated costs of toxic assets resolution provided support for the market uptrend. The IFC plan of wholesale investments in some Nigerian banks and the provision of strong financial support for others to acquire rescued banks also incited demand for bank shares and engender confidence to prolong the market uptrend. The number of deals rose 2.38% whilst the volume and value of stocks traded declined 34.21% and 11.21% respectively as investors cut supply to evaluate the impact of emerging market developments for optimal portfolio benefit. The stocks of 135 companies were traded, of which 35 stocks appreciated whilst 29 stocks declined. With the release of more robust quarterly earnings boosting the prospect of higher returns, we expect current sentiments to be sustained through the week. The market is however vulnerable to profit takers who may want to test the strength of the uptrend with selloffs.

Global equities markets were upbeat today. In the US, stronger-than-expected improvement in housing sector and robust corporate earnings bolstered market sentiments. The Dow Jones, S & P 500 and NASDAQ rose 0.62%, 0.83% and 0.79% respectively. In Europe, the low failure rate of banks in Europe's stress tests (7 out of 91 tested banks) including their concentration in few countries added to the strong expansion of UK's economy to boost market sentiments. The UK's FTSE100, Germany's Dax 30 and France's CAC 40 gained 0.72%, 0.45% and 0.81% respectively. Asia markets finished up, driven largely by the positive developments in overseas markets and the expectation of China softening austere monetary policies. The Japan's Nikkei, Hong Kong's Hang Seng, South Korea's KOSPI and China's Shanghai gained 0.77%, 0.12%, 0.63% and 0.87% respectively. Whilst we expect global equities to be driven by investors' reaction to Q2 earnings, speculation of simultaneous growth slowdown across major economies may trigger extreme volatility on the possibility of low returns.

Money Markets – Highlights. Liquidity tightened in the market today as rate on Call, 7-day, 30-day, 60-day and 90-day rising 1.44%, 6.15%, 5.83%, 4.73% and 1.75% respectively. We expect rates to be moderate in the course of the week.

Equities (NSE) – Market Snapshot

Indicator	Mon 26/07	Fri. 23/07	Change	%
No. of Deals	6,028	5,888	140	2.38
Vol. Traded	366.34mn	556.86mn	(190.52)mn	(34.21)
Total Value	₦3.56bn	₦4.01bn	₦(449.83)mn	(11.21)
Mkt. Cap	₦6.24tr	₦6.18tr	₦63.12bn	1.02
All-Share Index	25,527.44	25,269.36	258.08	1.02

Company Results Released

Company	Period	N' bn		N' bn		Div (k) Bonus
		T'over	PAT	T'over	PAT	
Union Bank	Q2'10	66.91	11.32	86.08	(87.63)	-
Union Homes	Q2'10	4.88	1.17	4.57	0.26	-
John Holt	Q4'09	18.45	(2.14)	20.88	0.39	-
John Holt	Q2'10	2.78	(0.01)	4.81	0.09	-
May & Baker	Q2'10	2.12	0.10	2.09	0.08	-

The Day's Gainers & Losers

GAINERS				LOSERS			
Company	OP (N)	CP (N)	%	Company	OP (N)	CP (N)	%
Redstar	3.80	3.99	5.0	AP Petrol	32.90	31.26	5.0
Zenith	12.86	13.50	5.0	Tourist	5.02	4.77	5.0
Cont'l Re	1.21	1.27	5.0	Fidson	3.02	2.87	5.0
Access	8.50	8.92	4.9	Univ Press	7.89	7.50	4.9
Intercont'l	2.05	2.15	4.9	Longman	6.50	6.18	4.9

Money Market Trend

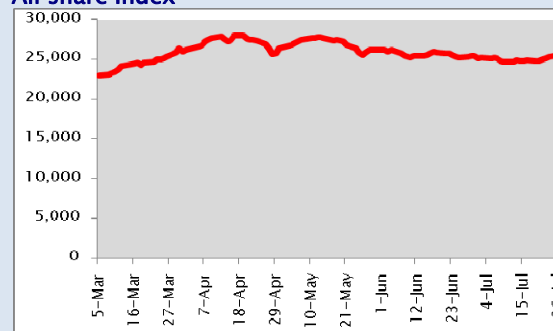
Tenor	Mon 26/07	Fri 23/07	Thur 21/07	Wed 21/07	Tue 20/07
Overnight	1.1750	1.1583	1.1250	1.1417	1.0830
7 Day	2.1583	2.0333	1.9917	1.9167	1.7417
30 Day	5.2917	5.0000	5.2083	5.2083	5.0417
60 Day	6.4583	6.1667	6.6667	6.5000	6.5000
90 Day	7.2500	7.1250	7.4583	7.4167	7.4583

FBN Heritage Fund @ 23 July '10

Bid Price	Offer Price
₦89.10	₦91.95

OP/CP = Opening Price /Closing Price

All share Index



NIBOR Trend

