

**Key Market Indicators**

Inflation Rate July 2012[%]	12.8
MPR [%]	12.0
GDP Growth Rate Q1 2012 %	6.17
GDP Growth Target 2012 %	7.2
Crude Oil Price Benchmark -\$	72.0
Liquidity Ratio [%]	30.0
Prime Lending Rate % June 2012	16.93
Maximum Lending Rate %	23.44
91-day NTB % 23/8/12	14.0
Treasury Bills Rate %	14.08
Exchange Rate N-\$ 31/8/12	155.80
External Reserve \$b 29/8/12	38.62
Bonny Light 17/8/12 -\$	115.20

Source: CBN, NBS

**Equities in all week rally**

The stock market rallied in all of last week to close the month of August at about 13-month peak. Further easing of money market rates and a dip in bond yields favoured equities. A general uptrend in share prices has been sustained in the eight months of trading though companies with poor earnings outlook are missing the action.

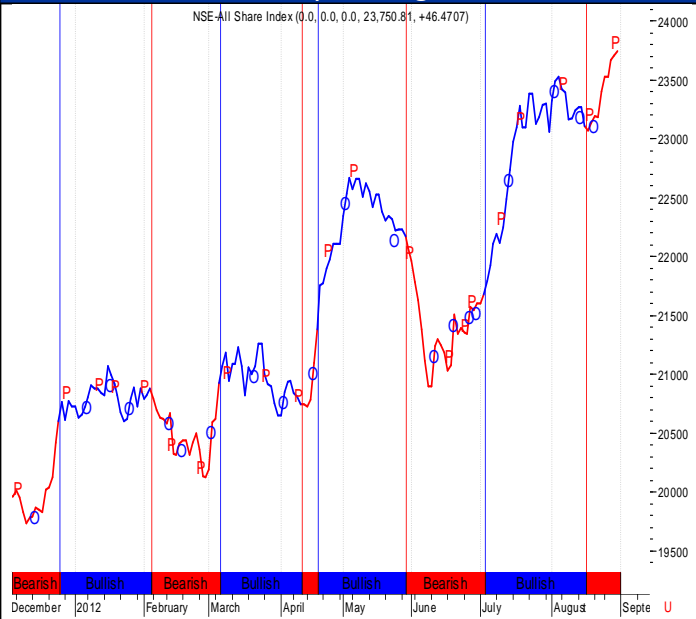
Major stocks were the main attraction during the week and also occupied the top price advances chart. Investors, showing low risk profile, cautiously cluster around equities with stable profit and dividend records.

Consumer goods stocks led price advances during the week with the index rising by 2.25%. Banking and insurance indexes also closed higher but oil and gas index continued to decline.

The market's primary trend is presently bullish. Technical indicators show that further gains can be expected with no strong threat of a bearish turn.

**Equities Market for the Week Ended 31<sup>st</sup> August 2012**

All-share Index - January 4—August 31, 2012



**Top Earning Companies, June 2012**

Company	EPS N -Interim 2012	EPS N – 2011 Full Year
Nestle Nigeria	12.41	21.20
Guinness Nigeria	6.15 <sup>3/4</sup>	6.58
Okomu Oil Palm	5.16	8.22
Dangote Cement	4.19	8.13
Total Nigeria	3.56 <sup>1/4</sup>	11.21
Lafarge Cement	2.93	2.83
Oando	2.91	1.61
Mobil Oil Nigeria	2.63	12.47
Nigerian Breweries	2.56	5.03
Presco	1.64	1.69
First Bank	1.41	1.37
ETI	1.40	3.25
GlaxoSmithKline	1.37	2.41
Zenith Bank	1.35	1.41

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Equities Market for the Week Ended 31 <sup>st</sup> August 2012	
NSE All-share Index	23,750.82
Month to Date %	+1.8
Year to Date %	+14.6
Market Capitalisation [Nb]	7,560
NSE 30 Index [Yr to date -%]	+20.6
No of Deals [1 wk change -%]	+74.7
Vol. of Equities Traded [m]	1,461
Value of Transactions [Nb]	10.14
Volume of Bonds Traded [m]	165.87
Value of Bonds Traded [Nb]	162.42

Price advances increased from 30 to 43 in the week while declining stocks reduced from 34 to 26. The all-share index of the Nigerian Stock Exchange closed 351.24 points or 1.5% up on the week's opening. The index is currently 10.8% above its 200-period moving average and is on the upward trend.

Trading activity improved with a rise of 66.3% in turnover to 1.46 billion shares. Value of deals rose by 2.4% to N10.14 billion and the number of deals advanced by 74.7% to 20,322.

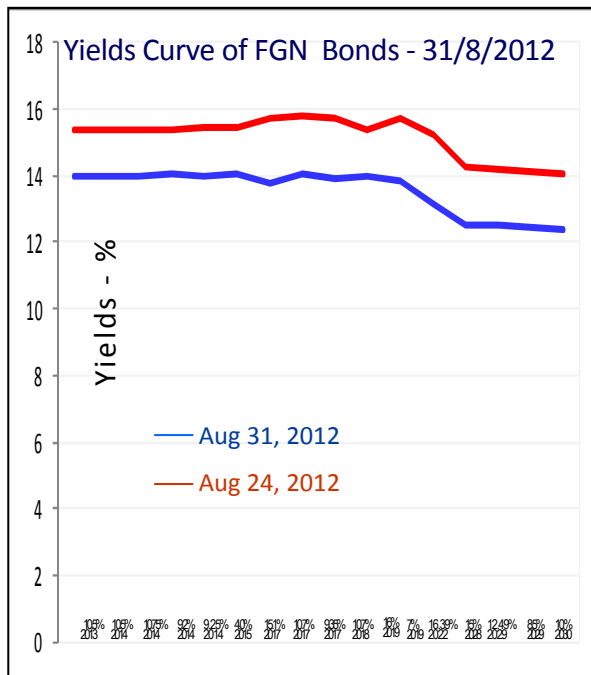
### Money market rates ease

Inter-bank rates closed lower last week on strong liquidity gains. Rates crept down from an average of 11% in the preceding week to 10.75% last week. This follows Central Bank's restraint on new bills auctions and redemption of some N81

Price Advances & Declines For the Week Ended 31 <sup>st</sup> August, 2012			
Advances	N	Declines	N
Nestle	+24.94	PZ Cussons	-1.12
Guinness	+3.50	Conoil	1.03
Nig Breweries	+3.30	Morison Ind.	-0.71
CAP	+2.42	Arbico	-0.66
UACN	+1.65	NAHCO	-0.60
7-UP	+1.50	Dangote Flour	-0.35
Flourmills	+1.50	May & Baker	-0.26
Okomu Oil	+1.50	Dangote Sugar	-0.23
GlaxoSmithKline	+1.28	Nascon	-0.20
Cadbury	1.20	Red Star Express	-0.19

Latest Earnings Reports				
Company	P/LAT—Nm	Cash Dividend—K	Bonus	Ex-Div Date
GTB½	45,552	25	-	10/9/12
Mansard Insurance½	902.14	4	-	4/10/12
Prestige Assurance½	92.71	-	-	-
Resort S/Ls¼	2.27	-	-	-
Sky Shelter Fund½	57.28	-	-	-
Custodian & Allied½	957.82	-	-	-
Aso S/Ls½	[179.58]	-	-	-
NCR½	[377.99]	-	-	-
Chams½	[550.61]	-	-	-
John Holt½	[1,208]	-	-	-

½1<sup>st</sup> quarter - ½ Half year - ¾3<sup>rd</sup> quarter - 4/4 Full year



Source: FMDA

## FGN BONDS - 31<sup>st</sup> August 2012

Traded Bond	Tenor [Yrs]	Maturity	Coupon [%]	Bid	Central	Offer	TTM	Yield [%]
10.5% FGN NOV 2013	5	28-Nov-13	10.50	96.05	96.13	96.20	1.24	13.97
10.5% FGN MAR 2014	3	18-Mar-14	10.50	95.21	95.28	95.36	1.55	13.98
10.75% FGN MAR 2014	7	30-Mar-14	10.75	95.45	95.53	95.60	1.58	13.98
9.2% FGN JUN 2014	7	29-Jun-14	9.20	92.39	92.47	92.54	1.83	13.99
9.25% FGN SEP 2014	7	28-Sep-14	9.25	91.65	91.73	91.80	2.08	13.97
4.0% FGN APR 2015	5	23-Apr-15	4.00	78.43	78.51	78.58	2.64	14.0
15.10 FGN APR 2017	5	27-Apr-17	15.10	104.462	104.61	104.76	4.66	13.71
9.35% FGN AUG 2017	10	31-Aug-17	9.35	83.46	83.61	83.76	5.0	14.02
10.7% FGN MAY 2018	10	30-May-18	10.70	87.51	87.66	87.81	5.75	13.87
16.0% FGN Jun 2019	7	29-Jun-19	16.0	108.72	108.87	109.02	6.83	13.93
7.00% FGN OCT 2019	10	23-Oct-19	7.00	69.51	69.66	69.81	7.15	13.81
16.39% FGN JAN 2022	10	27-Jan-22	16.39	117.04	117.19	117.34	9.41	13.15
15.0% FGN NOV 2028	20	28-Nov-28	15.00	116.90	117.05	117.20	16.25	12.51
12.49% FGN MAY 2029	20	22-May-29	12.49	100.02	100.17	100.32	16.73	12.46
8.5% FGN NOV 2029	20	20-Nov-29	8.50	72.28	72.43	72.58	17.23	12.41
10.0% FGN JUL 2030	20	23-Jul-30	10.00	83.0	83.15	83.30	17.90	12.35

Source: DMO/FMDA TTM — Term to Maturity

billion matured bills and bonds. The restraint is meant to guide interest rates downwards, as the Central Bank considered bank bids for new bills rather high.

### Increased appetite for bonds

The face value of FGN bonds traded last week rose by 14.7% to N162.42 billion. Volume of transactions also grew by 18.6% to 165.87 million units but the number of bonds traded declined from 15 to 10. Bonds attracted more attention last week with the sustaining decline in money market rates.

Bond prices rose across the board with the increased appetite of both local and offshore investors. Traders bought the instruments for shelter from interest rate risk. Bond yields curve therefore declined across the board.

During the month Debt Management Office reopened the 15.1% FGN Apr 2017 at 16.325%; 16% FGN June 2019 at 16.14% and 16.39% FGN Jan 2022 at 15.90%.