

Mixed reactions expected next week

Based on the trend of stock prices within the past couple of weeks, we expect a flat performance in the ASI by the end of next week. At the same time, we anticipate a certain degree of mixed reactions by investors. In our view, the relationship between the volumes of stocks on bid and offer during the week reflects some element of caution by investors. A number of stocks have recorded impressive price performance over the past two weeks, such as Ashaka Cement (31.69%), Lasaco Assurance (28.57%) and Lafarge Wapco (26.43%). However, several others have suffered losses, for example International Energy Insurance (20.95%), AP plc (14.25%) and Unity Bank (14.02%). While we expect more investors to mop up cheap stocks with attractive valuations, we also recognise that investors who have made appreciable margins within the past couple of weeks might seek to exit the market.

Secondary market

The NSE ASI closed on a very flat note this week, appreciating by a mere 0.38%, to close at 25,382.50 points from 25,286.61 the preceding week. The market capitalisation of the 195 first-tier equities closed marginally high at N5.82 trillion, from N5.80 trillion in the previous week. A turnover of 3.11 billion shares worth N24.63 billion in 41,079 deals was recorded this week, in contrast to a total of 2.5 billion shares valued at N17.75 billion and exchanged in 44,166 deals in the preceding week.

As illustrated in Figure 3, the banking sector maintained its lead during the week (measured by the value of shares traded), with a turnover of 1.006 billion shares worth N9.42 billion, and exchanged by investors in 20,997 deals. The sector's volume and value represents 32.35% and 38.25%, respectively, of the NSE's transactions for the week.

On Wednesday 7 August 2009, Alhaji Aliko Dangote was elected as the 17th president of the NSE, and Chief Reginald Abbey Hart and Dr. Erastus Akingbola were elected as the 1st and 2nd vice-presidents.

Share price performance

About 40 stocks recorded price gains this week in comparison to 67 stocks in the preceding week. At the same time, the number of losers during the week increased to 68 stocks as compared to 42 stocks in the preceding week.

All Share Index	▲ 0.38%	25,382.50
Market cap	▲ 0.38%	N5.82 trillion
Value traded	▲ 38.73%	N24.63 billion
Volume traded	▲ 41.46%	3.11 billion

Top gainers

Nestle	16.05%	N198.45
Lafarge Wapco	14.67%	N35.40
UACN	11.08%	N40.00

Sources: NSE, Stanbic IBTC Research

Top losers

AP	-14.25%	N62.32
Total	-3.80%	N152.00
Conoil	-5.24%	N49.40

Sources: NSE, Stanbic IBTC Research

Stocks to watch	Proj. P/E (x)	Proj. P/BV (x)	Proj. DY (%)
Diamond Bank	5.26	0.84	10.45
Guaranty Trust Bank	9.82	1.69	6.11
Lafarge Wapco	9.00	2.15	2.78
UACN	10.09	1.19	5.49
OANDO	7.68	1.75	9.63

Source: Stanbic IBTC Research

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Share price adjustment

During the week, the share price of Oceanic Bank of Nigeria plc was adjusted for a bonus of 1 for 10. At the same time, the share prices of Julius Berger Nig. plc, Stanbic IBTC Bank plc, Lasaco Assurance plc and Capital Hotel plc were adjusted for dividends of N1.75, N0.40, N0.03 and N0.05, respectively.

Company results

Bank PHB plc: Unaudited 12-month results for the period ended 30 June 2009 show gross earnings of N141.213 billion as against N86.483 billion in the comparable period of 2008. Profit after tax and exceptional items stood at N10.933 billion compared to profit after tax of N19.437 billion in 2008. The bank recently changed its financial year-end from June to December in line with the CBN directive on a uniform reporting standard for all banks.

Nestle Nigeria plc: Unaudited results for the half year ended 30 June 2009 show turnover of N31.302 billion as against N22.903 billion in the comparable period of 2008. Profit after tax increased by 25.48% to N4.146 billion as against N3.304 billion in 2008.

Mobil Oil Nigeria plc: Unaudited results for the half year ended 30 June 2009 show turnover of N32.447 billion as against N32.974 billion in the comparable period of 2008. Profit after tax declined by 47.66% to N644.283 million from N1.231 billion in 2008.

Staco Insurance plc: Unaudited results for the half year ended 30 June 2009 show gross premium of N3.041 billion as against N2.383 billion in the comparable period of 2008. Profit after tax and exceptional items for the period declined by 21.42% to N534.332 million as compared to profit after tax of N680.013 million in 2008.

CAP plc: Unaudited results for the half year ended 30 June 2009 show turnover of N1.363 billion as against N1.171 billion in the comparable period of 2008. Profit after tax declined by 23.84% to N256.401 million from N336.650 million in 2008.

Unilever Nigeria plc: Unaudited results for the half year ended 30 June 2009 show turnover of N21.104 billion as against N19.146 billion in the comparable period of 2008. Profit after tax increased by 44.97% to N2.492 billion from N1.719 billion in 2008.

PZ Cussons Nigeria plc: The board of directors is recommending a dividend of 68 kobo/share. The date of closure of register is 31 August 2009 to 4 September 2009, while the payment date is 22 September 2009. The 61st annual general meeting is scheduled to take place on 17 September at Genesis Suites, Challenge, Molete Road, Ibadan Oyo State.

Figure 1: NSE ASI, 03 Aug – 07 Aug '09

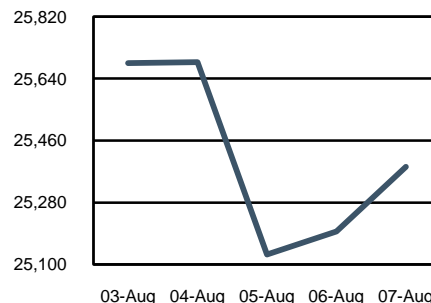


Figure 2: Vol. traded (M), 03 Aug – 07 Aug '09

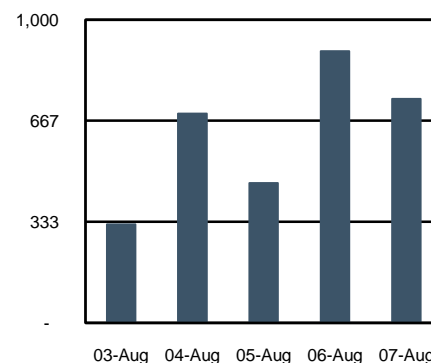
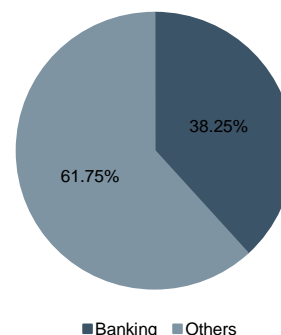


Figure 3: Value by sector, 03 Aug – 07 Aug '09



Sources: NSE; Stanbic IBTC Research

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Company	Disclosure
Diamond Bank plc	E, G
Guaranty Trust Bank plc	E
UACN plc	E
Oando plc	E, G, H
Lafarge Cement WAPCO plc	E

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