

A market on offer

We believe the market will maintain the bearish trend which has characterised the past three weeks. Last week, we expressed the possibility that the market may be buoyed by the corporate actions of First Bank and the positive outcome of the MPC meeting. However, it appears that the market remains skewed towards sentiments surrounding the expected decline in some banks' profitability. More banks are likely to release their results this week, showing a possible decline in profits given their provisions for bad loans. However, we believe that investors with a long-term investment horizon and stable dividend income expectation should take advantage of the currently low prices induced by this development as the market has shed 8.36% over the past three weeks.

Secondary market

The NSE ASI closed on a negative note last week, declining by 9.36% to 23,656.42 from 26,100.64 the preceding week. The market capitalisation of the 195 first-tier equities closed lower at N5.423 trillion from N5.983 trillion in the previous week. A turnover of 2.1 billion shares worth N17.44 billion in 45,423 deals was recorded last week, in contrast to a total of 11.72 billion shares valued at N91.22 billion and exchanged in 223,989 deals in the preceding week.

As illustrated in [Figure 3](#), the banking sector remained the most active during the week (measured by turnover volume), with a turnover of 1.14 billion shares worth N12.4 billion and exchanged by investors in 29,136 deals. Volume in the sector was driven largely by activity in the shares of First Bank of Nigeria plc, Guaranty Trust Bank plc, and Access Bank plc. Trading in the shares of the three banks accounted for 477.54 million shares, representing 42% of the sector's turnover.

The insurance sector, boosted by activity in the shares of Goldlink Insurance Company plc and Aiico Insurance plc, followed on the week's activity chart with a turnover of 479.44 million shares valued at N359.13 million shares in 4,742 deals.

Share price performance

The number of gainers during the week decreased to nine stocks in comparison to 20 stocks in the preceding week. Oando plc led on the gainers' table with a gain of N6.36 to close at N89.86 per share, while Nigerian Breweries plc followed with a gain of N2.36 to close at N52.35 per share.

All Share Index	▼ 9.36%	23,656.42
Market cap	▼ 9.36%	N5.42 trillion
Value traded	▲ 40.61%	N17.45 billion
Volume traded	▲ 1.74%	2.102 trillion

Top gainers

Oando	7.62%	N6.36
Nigerian Brew.	4.72%	N2.36
NBC	3.73%	N0.97

Top losers

African Petroleum	9.74%	N8.72
Total	4.97%	N8.27
BCC	16.81%	N6.96

Stocks to watch	Proj. P/E (x)	Proj. P/BV (x)	Proj. DY (%)
Diamond Bank	5.07	0.81	10.85
FCMB	5.41	0.72	6.47
Oando	7.5	1.7	9.86
Dangote Sugar	7.31	4.13	8.89
UACN	8.79	1.08	6.83

Share price adjustment

Niger Insurance Company plc was adjusted for a dividend of N0.05/share and a bonus of 1 for 10. Ashaka Cement plc was adjusted for a dividend of N0.30/share, May & Baker Nigeria plc for a dividend of N0.40/share, Presco plc for a dividend of N0.30/share, and Sovereign Trust Insurance plc for a dividend of N0.03/share.

Supplementary listing

A total of 395,083,664 shares were added to the shares outstanding in the name of Niger Insurance Company plc following the bonus of 1 for 10.

Company results

Skye Shelter Fund plc: Audited results for the year ended 31 December 2008 show fixed interest income of N236.11 million. Profit after tax stood at N114.64 million. The fund managers are recommending a dividend of N4.65 per share. The date of closure of register is 23 July 2009, while the payment date is 3 August 2009.

Lasaco Assurance plc: Audited results for the year ended 31 December 2008 show gross premium of N2,334.15 million as against N1,773.85 million in 2007. Profit after tax stood at N364.93 million compared with N688.2 million in 2007. The board of directors is recommending a dividend of N0.03 per share. The date of closure of register is 3 August 2009, while the payment date will be advised at a later stage.

Nigerian Breweries plc: Unaudited results for the half year ended 30 June 2009 show turnover of N82,691.7 million as against N68,054 million in 2008. Profit after tax stood at N16,855.81 million compared with profit after tax of N12,337.7 million in 2008.

Oando plc: Unaudited results for the first quarter ended 31 March 2009 show turnover of N77,534 million as against N69,363 million in 2008. Profit after tax stood at N1,818 million compared with profit after tax of N1,399 million in 2008.

Source: NSE

Figure 1: NSE ASI, 13 July – 17 July '09

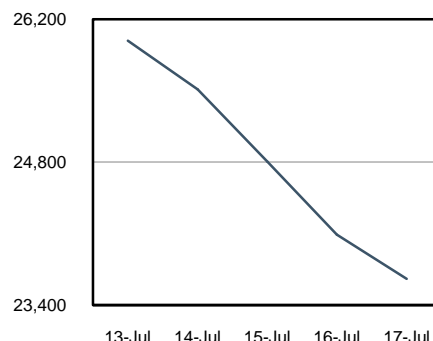


Figure 2: Vol. traded (M), 13 July – 17 July '09

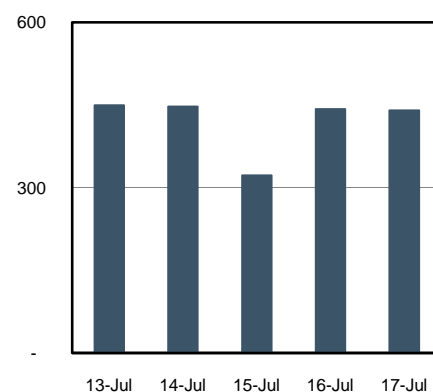
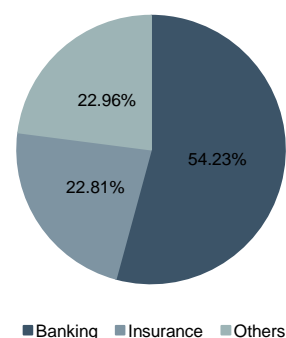


Figure 3: Vol. by sector, 13 July – 17 July '09



Source: NSE; Stanbic IBTC Research

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