

Bearish trend likely to continue

While recent developments in the banking sector have influenced the decline in this sector as well as in the market, we expect bid volumes for banking stocks (which have received a clean bill of health) to increase. Furthermore, *non-withdrawal of federal funds from any of the five banks whose CEOs have been dismissed, the gradual recovery of funds from bank debtors, and the constant reassurance from the Central Bank of Nigeria that no bank will be allowed to fail*, should ease investors' fear in the medium- to long term. While we expect a decline in the market in the current week, albeit at a slower rate, we also expect that value-investors will take advantage of depressed valuations (the market has shed 13.85% in just the past two weeks).

Secondary market

The Nigerian stock market closed lower last week, as the NSE ASI depreciated by 9.34%, at 21,973.96 points (24,237.85 the preceding week). The market capitalisation of the 195 first-tier equities also closed lower, at N5.04 trillion (N5.56 trillion the previous week). Turnover of 2.10 billion shares worth N10.14 billion in 37,686 deals was recorded last week, in contrast to a total of 2.45 billion shares valued at N18.73 billion and exchanged in 39,606 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 786.85 million shares worth N5.85 billion, and exchanged by investors in 12,257 deals. Volumes were driven largely by activity in the shares of Access Bank plc, United Bank for Africa plc and First City Monument Bank plc. Trading in the shares of these four banks accounted for 393 million shares, representing 50% of the sector's turnover.

The insurance sector, boosted by activity in the shares of Standard Alliance Insurance plc and AIICO Insurance plc, followed on the week's activity chart with a turnover of 697.32 million shares valued at N746.9 million shares in 15,903 deals.

Share price performance

The number of gainers during the week declined to 6 stocks in comparison to 27 stocks in the preceding week. But the number of stocks that recorded share price depreciation increased to 97 stocks (89 stocks in the preceding week).

All Share Index	▼ 9.34%	21,973.96
Market cap	▼ 9.35%	N5.04 trillion
Value traded	▼ 45.86%	N10.14 billion
Volume traded	▼ 14.29%	2.10 billion

Top gainers

NB	12.40%	N6.37
GSK	4.98%	N0.83
Unilever	3.23%	N0.52

Sources: NSE, Stanbic IBTC Research

Top losers

Total	-19.92%	N20.73
Nestle	-8.29%	N15.08
Skye Shelter Fund	-10.78%	N9.75

Sources: NSE, Stanbic IBTC Research

Stocks to watch	Proj. P/E (x)	Proj. P/BV (x)	Proj. DY (%)
UAC-Prop	4.91	0.49	4.73
Dangsugar	7.31	4.13	8.90
Tantalizer	5.88	0.55	2.09
GSK	8.84	2.56	4.75
UACN	9.26	1.09	5.98

Source: Stanbic IBTC Research

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Share price adjustment

Niger Insurance plc was adjusted for dividend of N0.05 per share and bonus of 1 for 10. Trans Nationwide Express plc was adjusted for dividend of N0.10 per share. AIICO Insurance plc was adjusted for bonus of 1 for 4.

Supplementary listing

A total of 395,083,664 shares were added to the shares outstanding in the name of Niger Insurance plc following the bonus 1 for 10. Also, a total of 1,561,878,251 shares were added to the shares outstanding in the name of AIICO Insurance plc, following the bonus of 1 for 4.

Full suspension

Two weeks of full suspension was imposed on trading of the shares of Afribank Nigeria plc, Oceanic Bank International plc, FinBank plc, Intercontinental Bank plc and Union Bank of Nigeria plc on Monday, August 17, 2009 following the takeover of the banks by the Central Bank of Nigeria (CBN). The decision followed a tripartite agreement between the CBN, SEC and the NSE on the need to protect investors and prevent unprecedented dumping of the shares of the five banks. The suspension would be reviewed after two weeks.

Company results

Oando plc: Unaudited results for the half-year ended 30th June 2009 show turnover of N165,036.0 million, as against N124,415.0 million in the comparable period of 2008. Profit after tax stood at N3,809.0 million, compared with N3,673.0 million in 2008.

Custodian and Allied Insurance plc: Unaudited results for the half year ended 30th June 2009 show gross premium of N2,873.5 million, as against N2,012.9 million in the comparable period of 2008. Profit after tax stood at N851.62 million, compared with N648.61 million in 2008.

Standard Alliance Insurance plc: Unaudited results for the first quarter ended 31st March 2009 show gross premium of N1,397.01 million, against N827.95 million in the comparable period of 2008. Profit after tax stood at N596.5million, compared with N259.54 million in 2008.

Portland Paints& Products Nigeria plc: Unaudited results for the half-year ended 30th June 2009 show turnover of N1,122 million, against N885.7 million in the comparable period of 2008. Profit after tax (PAT) stood at N103.51 million, compared with N70.14 million in 2008.

Figure 1: NSE ASI, 17 Aug – 21 Aug '09

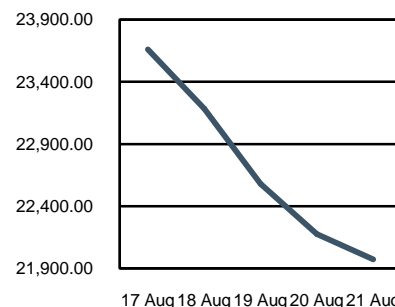


Figure 2: Vol. traded (M), 17 Aug – 21 Aug '09

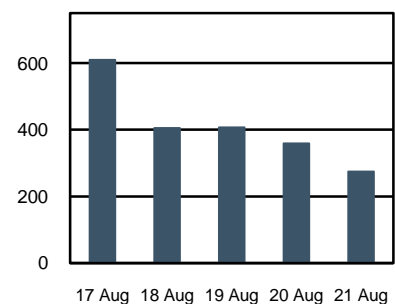
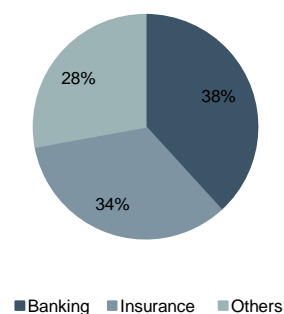


Figure 3: Vol. by sector, 17 Aug – 21 Aug '09



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Company	Disclosure
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Tantalizer	None
GSK	E, H
Dangote Sugar Refinery plc	E
UACN	E

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