

## Market Watch

Volume 2, Issue 2 February 16<sup>th</sup> 2009



### Secondary market

The Nigerian Stock Exchange (NSE) All Share Index (ASI) declined by 0.76% in the past week to close at 23,635.92 on Friday as against 21,813.76 in the previous week. Figure 1 illustrates the daily NSE ASI performance during the past week. The market capitalisation of the 199 first-tier equities closed lower at N5.3 trillion at the end of the week as against N5.33 trillion in the previous week. A market turnover of 1.53 billion shares worth N9.4 billion and traded in 42,723 deals was recorded, in contrast to a total of 1.80 billion shares valued at N8.71 billion and exchanged in 34,863 deals in the preceding week.

As shown in Figure 3 below, the banking sector was the most active during the week (measured by turnover volume). Activities within this sector accounted for 825.7 million shares worth N6.25 billion in 25,332 deals. Turnover was driven largely by activity in the shares of Access Bank plc, Oceanic Bank International plc, Intercontinental Bank plc and United Bank for Africa plc. Trading in the shares of the four banks accounted for 456.6 million shares, representing 54.8% of the sector's turnover.

The insurance sector, boosted by activity in the shares of Investment and Allied Assurance plc and Regency Alliance Insurance plc, followed on the week's activity chart with a turnover of 277.74 million shares valued at N229.5 million in 3,712 deals.

During the past week, 52 stocks appreciated in price as against 69 stocks in the previous week. Nestle Nigeria plc led on the gainers' table with a gain of N5.20 to close at N115.20/share. Some 55 stocks depreciated in price compared to 39 in the previous week. Nigerian International Debt Fund plc led on the price losers' table, dropping by N197.41 to close at N5,495.33/share.

<b>All Share Index</b>	23,635.92	
<b>Market cap</b>	N5.3 trillion	
<b>Value traded</b>	N9.4 billion	
<b>Volume traded</b>	1.53 billion shares in 42,723 deals	

#### Top gainers (N)

Nestle Nigeria plc	5.20
Union Bank of Nig. plc	1.90
Oando plc	1.74

#### Top losers (N)

Nig. Intl. Debt Fund plc	197.41
African Petroleum plc	30.81
Total Nigeria plc	27.76

Stocks to watch	Proj. P/E	Proj. P/BV	Proj. DY
Access Bank plc	2.66x	0.39x	18.34%
Diamond Bank plc	3.49x	0.56x	15.74%
Dangote Sugar plc	6.38x	5.16x	12.53%
Oando plc	8.38x	1.24x	7.76%
Mutual Benefits plc	5.34x	0.72x	8.62%

Source: Stanbic IBTC Research

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## Lifting of technical suspension

On February 12<sup>th</sup> 2009, technical suspension was lifted from the following stocks: Staco Insurance plc, Equity Assurance plc, UTC Nigeria plc, Eternal Oil & Gas plc, Ikeja Hotels plc, Tripple Gee & Co. plc, Wema Bank plc, Ecobank Transnational Incorporated plc, C & I Leasing plc, Crusader (Nig) plc, Linkage Assurance plc, Longman Nigeria plc, Royal Exchange plc, Oasis Insurance plc, Nigerian-German Chemicals plc, First Aluminium Nigeria plc, Deap Capital Management & Trust plc, Trans-nationwide Express plc and DN Meyer plc.

## Company results

**Diamond Bank plc:** Unaudited results for the third quarter ended January 31<sup>st</sup> 2009 show gross earnings of N72.43 billion, as against N41.71 billion in the comparable period of 2008. Profit after tax stood at N15.83 billion compared with N9.6 billion in 2008.

**Flour Mills of Nigeria plc:** Unaudited results for the third quarter ended December 31<sup>st</sup> 2008 show turnover of N112.24 billion, as against N74.54 billion in the comparable period of 2007. Profit after tax and exchange rate loss stood at N756.81 million compared with N3.65 billion in 2007.

**Northern Nigeria Flour Mills:** Unaudited results for the third quarter ended December 31<sup>st</sup> 2008 show turnover of N6.6 billion, as against N3.75 billion in the comparable period of 2007. Profit after tax stood at N99.4 million compared with N85.6 million in 2007.

**Tripple Gee & Co. plc:** Unaudited results for the third quarter ended December 31<sup>st</sup> 2008 show turnover of N788.61 million, as against N604.14 million in the comparable period of 2007. Profit after tax stood at N77.71 million compared with N71.55 million in 2007.

**Afprint Nigeria plc:** Unaudited results for the half year ended December 31<sup>st</sup> 2008 show turnover of N1.63 billion, as against N1.95 billion in the comparable period of 2007. Loss after tax stood at N128.1 million compared with profit after tax of N54.5 million in 2007.

Source: NSE

## Outlook

The ASI has shown a recent trend of share prices rising for a short while and then falling to new all-year lows, which we attribute to investors either taking profits on their stockholdings or reducing their losses. We expect this trend to continue until the market stabilises. However, we encourage value investors with funds at their disposal to take maximum advantage of the opportunities presented by the low prices.

Figure 1: NSE All Share Index, Feb 9<sup>th</sup> – 13<sup>th</sup> 2009

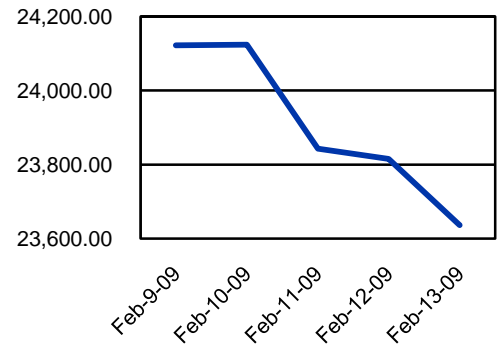


Figure 2: Vol. of shares traded, Feb 9<sup>th</sup> – 13<sup>th</sup> 2009

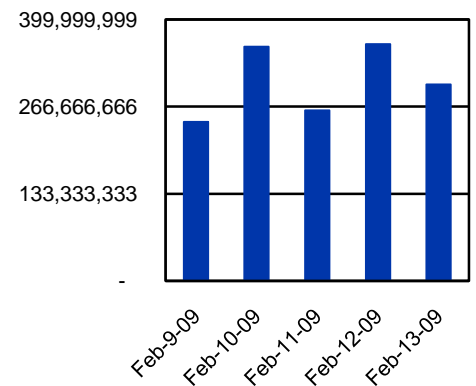
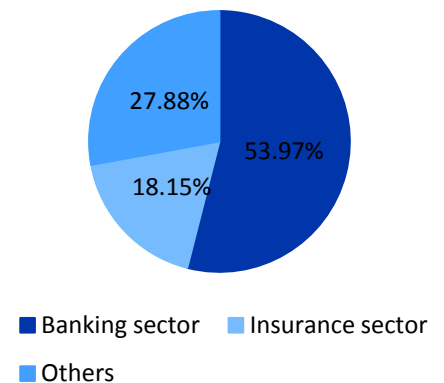


Figure 3: Volume of shares traded by sector



Source: NSE; Stanbic IBTC Research



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