



**Monument Securities & Finance Limited**  
**RC: 196374**

21, Boyle Street, Onikan, P.O.Box 74315  
 Victoria Island, Lagos, Nigeria  
 Tel: +234-1-7646693, 8751249; Fax: 4622296  
 E-mail: [research@monusec.com](mailto:research@monusec.com)  
 Website: [www.monusec.com](http://www.monusec.com)

**Equities Market Wrap**

The equities market closed the week in review on a negative note as the Nigerian Stock Exchange All-Share Index (NSE ASI) lost 3.64% to close at 26,100.64. The Market Capitalization of the 195 First Tier equities closed lower at ₦5.98 trillion.

The banking sub-sector was the most active during the week (measured by turnover volume); with 5.95 billion shares worth ₦63 billion exchanged by investors in 130,384 deals. Volume in the banking subsector was largely driven by activity in the shares of United Bank for Africa Plc, Guaranty Trust Bank Plc, Access Bank Plc, First Bank of Nigeria Plc and Zenith Bank Plc. Trading in the shares of the five banks accounted for 2.75 billion shares, representing 46.3% of the subsector's turnover. The Insurance sub-sector, boosted by activity in the shares of Goldlink Insurance Co. Plc and AIICO Insurance Plc, followed on the week's activity chart with a turnover of 2.56 billion shares valued at ₦2.54 billion in 23,934 deals. Overall, twenty (20) stocks registered gains in their share prices during the week, lower than the seventy (70) in the preceding week. On the other end, ninety-one (91) stocks recorded losses during the week, higher than the forty-six (46) stocks in the preceding week.

**Share Price Adjustments**

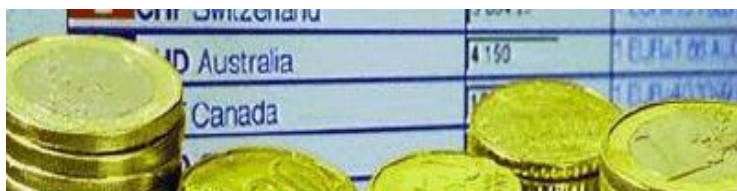
Four equity prices were adjusted for dividend and/or bonus as recommended by the Board of Directors. Benue Cement Company Plc was adjusted for bonus of 1 for 4; both Chams Plc and Abbey Building Society Plc were adjusted for dividend (each) of ₦0.03 per share and Smart Products Nigeria Plc was adjusted for a dividend of ₦0.06 per share.

**New Listings**

Two new companies were admitted on the Daily Official List by way of Introduction – The 4,200,000,000 shares in favour of eTranzact International Plc were admitted at a price of ₦4.80 per share on Wednesday, July 8, 2009. The Company was listed in the Information Communication and Telecommunication sub-sector. Also, the 400,000,000 shares in favour of Portland

**Investors' Guide**

A Weekly Financial market report



**Friday, July 10, 2009.**

Paints & Products Nigeria Plc were admitted at a price of ₦10.00 per share on Thursday, July 9, 2009. The Company was listed in the Chemicals & Paints sub-sector. By this action, the number of listed companies and securities increased to 210 and 297 respectively.

**Corporate Financial Results**

Company	Period Ended	T/O (Nm)	% Δ	PAT (Nm)	% Δ
Chevron Plc	Q1 Mar. 09	13,893	61.9	162	(14.8)
First Bank of Nigeria Plc	FY Mar. 09	218,287	40.2	12,569	(65.7)
LASACO Assurance	FY Dec. 08	2,334	31.6	365	(47.0)
Morison Industries	FY Dec. 08	369.2	66.5	14	152.5
Niger Insurance	FY Dec. 08	5,324	17.5	206	(68.7)

Q1 – First Quarter, Q2 – Second Quarter, Q3 – Third Quarter, FY – Full Year

Source: Nigerian Stock Exchange

**Dividend and Bonus Announcements**

Company	Interim/ Full Year	Dividend (₦)	Bonus	Closure Date
First Bank of Nigeria Plc	F	1.35	1 for 6	20-Jul-09
Morison Industries	F	0.05	-	20-Jul-09
Niger Insurance Plc	F	0.05	1 for 10	13-Jul-09
Regency Alliance Insurance	F	0.02	1 for 10	22-Jul-09
Trans-Nationwide Express	F	0.10	-	17-Aug-09

F – Full Year I – Interim N/A – Not Available (To be advised later)

Source: Nigerian Stock Exchange

## **Economic Wrap**

### **First Bank secures approval to operate in China**

First Bank of Nigeria Plc has secured the approval of the China Banking Regulatory Commission (CBRC) to open a representative office in Beijing, China, following a thorough due diligence process. Keeping with its tradition of "firsts", First Bank is the first Nigerian bank to commence operations in the Peoples Republic of China, one of the fastest growing economies in the world, having satisfied the official requirements prescribed by the CBRC, the Chinese financial services regulatory body.

Established 115 years ago in Nigeria, First Bank's increasing globalization has seen it set up branches (so far) in London, Paris and South Africa.

### **CBN reduces Monetary Policy Rate**

Also, the Central Bank of Nigeria held its 64th Monetary Policy Committee (MPC) meeting during the week in review. Measures to bring down inter-bank lending rates, improve liquidity in the financial system, and remove restrictions on foreign capital movement dominated decisions taken at the meeting thus signaling loose monetary policy direction in the medium term. Amongst other measures taken by the committee was the surprise reduction of the Monetary Policy Rate (MPR) from 8.0 percent to 6.0 percent, a 200 basis point reduction. Many analysts had expected a maximum of 100 basis point reduction. It is the rate at which the CBN lends to banks, given the strongest indication that there is a need for further ease of monetary policy than had been thought. Another key decision arrived at the meeting is the plan to guarantee all inter-bank lending and placements to banks by pension funds from this month till end of march next year.

## **Outlook and Stock Recommendations**

The bears dominated proceedings on the floor of the Nigerian Stock Exchange for a major part of the trading week in review. Expectedly, the major indices of stock performance witnessed a southward drift in position. We expect market sentiments to favour First Bank Plc on account of the year-end financial results which proposed a dividend per share of ₦1.35 and a bonus of 1 new share for every 6 shares already held. We also expect the market to continue to trade sideways due to a combination of anticipated corporate benefits (for stocks with declarations due in July) and speculative activity. However, we maintain that the market continues to offer opportunities for medium to long term strategic investors.

On our recommendation list, we retain stocks like **First Bank of Nigeria Plc, GTBank Plc, Custodian and Allied Insurance Plc, UACN Plc, Diamond Bank Plc and Lafarge WAPCO Plc.**

## **Market Indices**

Category	This Week	1 Week % Δ
Volume Traded (m)	2,065.84	(11.99)
Value Traded (N'm)	12,407.67	(34.90)
Deals	36,198	(21.90)

## **Money Market Indicators**

Interest Rates (%)	This Week	Last Week	1 Week % Δ
MPR	6.00	8.00	-25.00
NIBOR 7 days	21.74	21.58	0.74
NIBOR 30 days	21.62	21.63	-0.05
NIBOR 90 days	21.92	21.88	0.18

## **Exchange Rates**

Currency	Week Open	Week Close	1 Week % Δ
CFA	0.29	0.31	6.90
Euro	241.00	203.013	-15.76
Pound Sterling	241.27	236.58	-1.94
Swiss Franc	134.26	133.99	-0.20
US Dollar	146.70	146.00	-0.48
Yen	1.51	1.58	4.64

## **Ten Most Actively Traded Stocks**

Company	Deals	Volume (m)	Value (N'm)
Goldlink Ins.	1,867	792.74	432.63
UBA	10,526	659.91	9,140.95
GTBank	11,125	572.09	7,641.75
Access Bnk	8,991	542.97	4,799.61
First Bank	27,921	533.82	11,885.89
Zenith Bank	8,674	444.61	6,521.44
Diamond Bk	3,905	351.33	3,242.46
Wema Bank	4,019	328.95	1,210.86
Oceanic Bnk	9,830	314.67	2,588.09
MTI Plc	865	286.48	224.19

**Source: Money Market Association of Nigeria, Nigerian Stock Exchange, Central Bank of Nigeria, Monument Research**

**For further enquiries and contributions, please contact Monument Research at Monument Securities & Finance Limited (Tel: 8767636 or 7646693).**

*This article is based on information available to the public but its accuracy or completeness cannot be guaranteed. This is not an offer to buy or sell or a solicitation to buy or sell the securities mentioned herein. Opinions are expressed in good faith but are subject to change without notice. Monument Securities may effect transactions in securities of companies mentioned herein and may also perform or seek to perform investment-banking services for those companies.*