



DYNAMIC PORTFOLIO LIMITED

(Member of The Nigerian Stock Exchange)

Registered by Securities and Exchange Commission

DAILY STOCK MARKET WATCH

(About The Market Today 15/05/09)

The market closed today a negative note, a carry over from the previous day transaction. Market analyst has opined that the activities of profit takers have continued to propel the prices of stocks slightly down. However, investors are advised not to lose confidence in the market as the fundamentals of the market are strong and subsequent weeks promised to be a good tiding in the stock market.

An empirical analysis of the overall transaction carried out today showed that the Nigerian Stock Exchange (NSE) All-share Index decline by 497.67 points or 1.97 percent to close the day at 24,796.42 points from 25,294.09 points recorded at the previous day of trading. The Index lost 456.33 points or 1.77 percent in the previous trading day.

Similarly, the **Quantity** of ordinary shares traded in the market slipped by 435.61 million ordinary shares or 44.71 percent to close the day at 538.70 million ordinary shares exchanged by investors in 7,746 deals as against 974.31 million ordinary shares traded in 11,056 deals at the close of business yesterday.

The market turnover by **Value** dipped by N3.24 billion or 52.68 percent to settle at N2.91 billion, compared to N6.15 billion recorded in the preceding day transaction.

Market Capitalization of the listed 215 equities also dropped marginally by N113.03 billion or 1.97 percent to settle at N5,631.76 billion as against N5,744.79 recorded in the previous day transaction. The market capitalization posted

N103.64 billion or 1.77 percent change at the closed of transactions yesterday.

Table 1

Market Statistics

	Today 15/05/09	Previous 14/05/09	% Change
NSE All-Share Index	24,796.42	25,294.09	-1.97
Total Deals	7,746	11,056	-29.94
Volume Traded (M)	538.70	974.31	-44.71
Value Traded (N'B)	2.91	6.15	-52.68
Turn Over Ratio %	0.05	0.11	0.06% Change Point
Mkt. Capt. (N'B)	5,631.76	5,744.79	-1.97

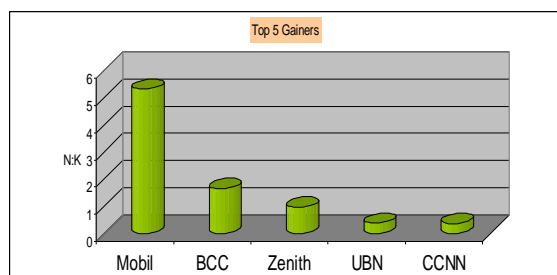
A cursory look at the individual company performance revealed that **Mobil Oil Plc** led on the gainer's list, having recorded N5.30 or 4.99 percent appreciation in its share price to close the day at N111.33 from its opening value of N106.03. **Benue Cement Company Plc** came second on the list, having added N1.64 or 4.95 percent in its share price to close the day at N34.80 per share from N33.16 posted in the previous trading day.

Table 2

Stock	Opening Price (N:K)	Closing Price (N:K)	Absolute Change (N:K)	% rise
Mobil	106.03	111.33	5.30	4.99
BCC	33.16	34.80	1.64	4.95
Zenith	19.59	20.56	0.97	4.95
UBN	14.00	14.38	0.38	2.71
CCNN	7.40	7.77	0.37	5.00

Figure 1

Top 5 Price Gainers



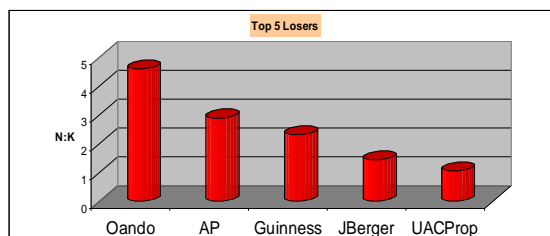
On the loser side, **Oando Nigeria Plc** shed N4.60 or 5.00 percent to close the market at N87.00 per share, from its opening value of N92.00. **African Petroleum Plc** share price also declined by N2.90 or 3.58 percent to settle at N78.00 per share. **Guinness Plc** (N2.32 or 2.18 percent) and **Julius Berger Plc** (N1.44 or 5.00 percent) came third and fourth on the losers' list respectively.

Table 3

Stock	Opening Price (N:K)	Closing Price (N:K)	Absolute Change (N:K)	% drop
Oando	92.00	87.00	4.60	5.00
AP	80.90	78.00	2.90	3.58
Guinness	106.32	104.00	2.32	2.18
JBerger	28.80	27.36	1.44	5.00
UACProp	21.44	20.37	1.07	4.99

Figure 2

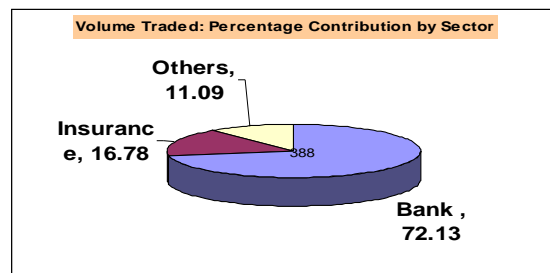
Top 5 Price Losers



Trading Activities (Sectors/Individuals)

Analysis of the sectoral activities in volume transacted today on the trading floor of The NSE saw the **Banking sector** taking the lead with a volume of 538.70 million ordinary shares to control 72.13 percent of the aggregate volume of shares traded in the market. The **Insurance sector** came second with 90.29 million ordinary shares, representing 16.78 percent of the total volume of shares traded in the market.

Figure 3



An analytical review of companies traded in volume terms shows that, **Wema Bank Plc** with 215.83 million ordinary shares recorded the most traded, representing 55.55 percent of the aggregate ordinary shares traded in the banking sector and 40.06 percent of the overall market volume. **Access Bank Plc** (68.16 million ordinary shares) emerged second on the list.

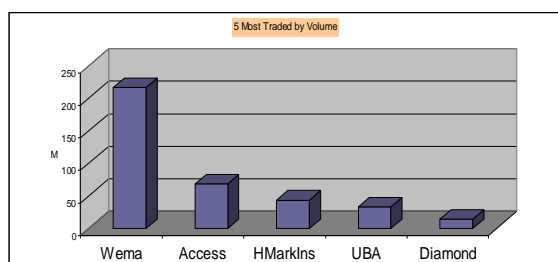
Table 4

5 Most Traded Stocks by Volume

Stock	Price (N: K)	Volume (M)	Value (N'M)
Wema	2.75	215.83	590.47
Access	7.70	68.16	507.96
HMarkIns	0.58	43.25	24.22
UBA	13.69	32.69	459.84
Diamond	6.45	13.92	90.05

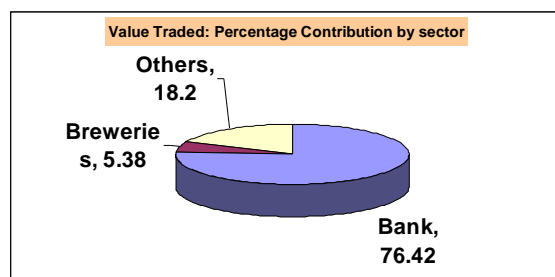
Figure 4

5 Most traded Stocks by Volume



The **Banking sector** was foremost in value terms as it traded on stocks worth N2,225.36 billion representing largely 76.42 percent of the aggregate value traded for the day. The **Breweries sector** with N156.54 million followed closely to settle for 5.38 percent of the overall value traded.

Figure5



Analysis on individual company basis showed that **Wema Bank Plc** emerged as the most traded stock in value terms. The company's aggregate shares traded exchanged for N590.47 million at the close of business today. The figure represents 26.53 percent of total traded value in the Banking sector and 20.28 percent of the overall value traded for the whole market. **Access Bank Plc** (N507.96 million) settled for the second position.

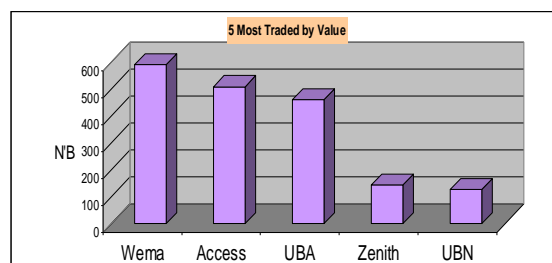
Table 5

5 Most Traded Stocks by Value

Stock	Price (N:K)	Volume(M)	Value (N'M)
Wema	2.75	215.83	590.47
Access	7.70	68.16	507.96
UBA	13.69	32.69	459.84
Zenith	20.56	6.95	142.87
UBN	14.38	9.19	126.64

Figure 6

5 Most Traded Stocks by Value



Market Capitalization:

First Bank of Nigeria Plc is the highest capitalized stock at N420.33 million today. This was followed by **Nigeria Breweries Plc** with N348.63 billion. **Zenith Bank Plc** (N344.27 billion), **United Bank for Africa Plc** (295.01 billion) and **Dangote Sugar Plc** (N232.56 billion) to maintained the third, fourth and fifth positions respectively.

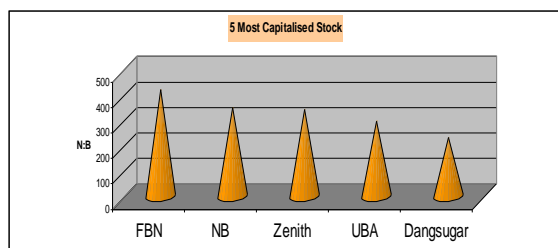
Table 6

5 Most Capitalized Stocks

Stock	Mkt. Capt. (N'B)	% of Top 5	% of Total
FBN	420.33	25.62	7.46
NB	348.63	21.25	6.19
Zenith	344.27	20.98	6.11
UBA	295.01	17.98	5.24
Dang sugar	232.56	14.17	4.13
Total	1,640.8	100	29.13
Others	3,990.96		70.87
Grand Total	5,631.76		100

Figure 7

5 Most Capitalized Stocks



Monetary Policy Rate: 8.00 %

Business News

No business News for today

Term for the Day

Stocks Basics: What Causes Stock Prices To Change?

Stocks' prices change everyday as a result of market forces. By this we mean that share prices change because of supply and demand. If more

people want to buy a stock (demand) than sell it (supply), then the price moves up. Conversely, if more people want to sell a stock than buy it, there would be greater supply than demand, and the price would fall.

Understanding supply and demand is easy. What is difficult to comprehend is what makes people like a particular stock and dislike another stock. This comes down to figuring out what news is positive for a company and what news is negative. There are many answers to this problem and just about any investor you ask has their own ideas and strategies.

That being said, the principal theory is that the price movement of a stock indicates what investors feel a company is worth. Don't equate a company's value with the stock price. The value of a company is its market capitalization, which is the stock price multiplied by the number of shares outstanding. For example, a company that trades at N100 per share and has 1 million shares outstanding has a lesser value than a company that trades at N50 that has 5 million shares outstanding (N100 x 1 million = N100 million while N50 x 5 million = N250 million). To further complicate things, the price of a stock doesn't only reflect a company's current value; it also reflects the growth that investors expect in the future.

The most important factor that affects the value of a company is its earnings. Earnings are the profit a company makes, and in the long run no company can survive without them. It makes sense when you think about it. If a company never makes money, it isn't going to stay in business. Public companies are required to report their earnings four times a year (once each quarter). The Nigerian Stock Exchange watches with rabid attention at these times, which are referred to as earnings seasons. The reason behind this is that analysts base their future value of a company on their earnings projection. If a company's results surprise (are better than expected), the price jumps up. If a company's results disappoint (are worse than expected), then the price will fall.

Of course, it's not just earnings that can change the sentiment towards a stock (which, in turn, changes its price). It would be a rather simple

world if this were the case! The fact that prices did move that much demonstrates that there are factors other than current earnings that influence stocks. Investors have developed literally hundreds of these variables, ratios and indicators. Some you may have already heard of, such as the price/earnings ratio, while others are extremely complicated and obscure with names like Chaikin oscillator or moving average convergence divergence.

So, why do stock prices change? The best answer is that nobody really knows for sure. Some believe that it isn't possible to predict how stock prices will change, while others think that by drawing charts and looking at past price movements, you can determine when to buy and sell. The only thing we do know is that stocks are volatile and can change in price extremely rapidly.

The important things to grasp about this subject are the following:

1. At the most fundamental level, supply and demand in the market determines stock price.
2. Price times the number of shares outstanding (market capitalization) is the value of a company. Comparing just the share price of two companies is meaningless.
3. Theoretically, earnings are what affect investors' valuation of a company, but there are other indicators that investors use to predict stock price. Remember, it is investors' sentiments, attitudes and expectations that ultimately affect stock prices.
4. There are many theories that try to explain the way stock prices move the way they do. Unfortunately, there is no one theory that can explain everything.

Dynamic House: Penthouse & 2nd Floor,
20 Campbell Street, Lagos Island, Lagos
P.O. Box 75649, Victoria Island
Lagos,
Nigeria.
234-1-2702508
www.dynamicportfolio.com