

2

0

0

3

YEAR REVIEW AND OUTLOOK REPORT

KEY ECONOMIC INDICATORS

	2003 (%)	2002 (%)	2001 (%)
Real GDP Growth - CBN	3.5 ¹ (5.0 ²)	3.3	3.9
Real GDP Growth – IMF	N/A	-0.9	2.9
91-day T-bill Rate (year end)	14.50	14.0	20.5
% Change in NSE All-Share Index	65.84	10.7	35.2
% Change in Naira Value/US\$	7.96	11.86	3.09
12-Month Average Inflation Rate	13.0 ³	12.9	18.9
Minimum Rediscount Rate	15.0	16.5	20.5

¹CBN Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal 2004/2005

² Estimate by President Obasanjo stated while delivering 2004 Appropriation Bill to the National Assembly

³ As at November 2003

Socio-Economic Highlights of the year 2003

During the year, a couple of socio-economic events occurred, which affected the direction of the financial markets and the economy as a whole. The key events include the following:

- In line with the Federal Governments commitment to liberalise the economy, the list of banned items was expanded in June 2003 to include sugar, confectioneries, canned and bottled beer, toilet rolls, exercise books and envelopes. The ban, which took effect from July 1, 2003, is aimed at protecting local manufacturing Companies, which have been faced with keen competition from the influx of cheap – and sometime low quality- imported products.
- The nations oil production received a boost during the year, as the Organisation of Petroleum Exporting Countries (OPEC) steadily increased Nigeria's crude oil production quota from 1.894million bpd in January 2003 to 2.092 million bpd in June 2003. However, as a result of the rise in non-OPEC supplies and a recovery in Iraq's production, the cartel announced a cut in the Nigeria's production quota to 2.018 million bpd with effect from November 1, 2003.
- After several months of widespread uncertainty about the successful outcome of the 2003 general elections, President Olusegun Obasanjo emerged the winner of the Presidential election conducted on April 19, 2003. Although the elections were conducted in a relatively peaceful manner, the results were marred by accusations and counter accusations of electoral irregularities in some parts of the federation. The major opposition party, the All Nigerian People's Parties (ANPP) challenged the outcome of the election in the law court, claiming that the election was rigged by the ruling People's Democratic Party (PDP). Despite the ongoing legal tussle, President Obasanjo was sworn in for a second term of four years on May 29, 2003 amidst tight security.
- The People's Democratic Party (PDP) won most of the elected seats in the April elections. Specifically, the Party won 28 of the 36 Gubernatorial seats and 286 of the 453 seats in the National Assembly. The three oldest political parties maintained their dominance in the April elections, as 99% of the National Assembly seats were won by the People's Democratic Party (PDP), All Nigerian People's Party (ANPP) and the Alliance for Democracy (AD).
- Coming shortly after the swearing in of the present administration, President Obasanjo announced a 33-man cabinet. Probably the most notable appointment is that of the Finance Minister, Mrs Ngozi Okonjo-Iweala. Prior to her appointment to the cabinet, Mrs Okonjo-Iweala was a Vice-President at the World Bank. Other appointments include that of the erstwhile Director-General of the Bureau of Public Enterprises (BPE), Nasir El-Rufai, as the Minister of the Federal Capital Territory.
- In December, President Obasanjo presented the proposed 2004 Budget to the National Assembly. The budget, which was tagged "Realistic Budget" is aimed at fostering the administrations reform program. The Budget proposal put the nations expenditure for the 2004 fiscal year at N1.189 trillion, while expected revenue was put at N1.05 trillion. It's planned that the budgeted deficit of N166 billion would be financed from funds raised from the domestic capital market.
- While delivering the Forty-third Independence Day speech, President Obasanjo announced reform programs being put in place by his administration. The reforms are targeted at the following areas of the economy: Governance, Anti-corruption,

Agriculture and Food Security, Infrastructure Development, Development of Small and Medium Scale Enterprises, Financial Regulation and Pension Reforms. According to the President, the reform programs are expected to entail sacrifices in various forms that will result in manifold returns for the nations economy.

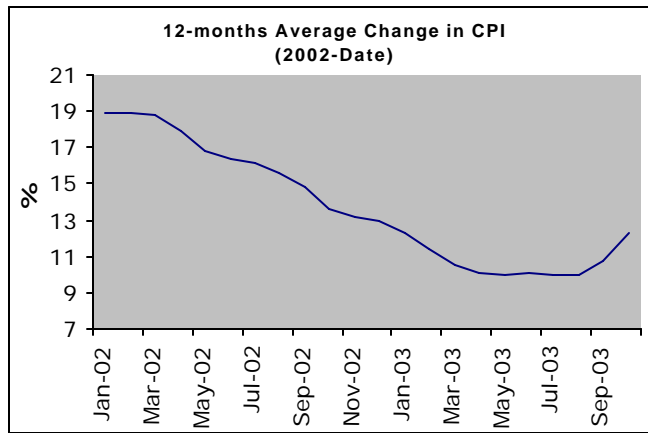
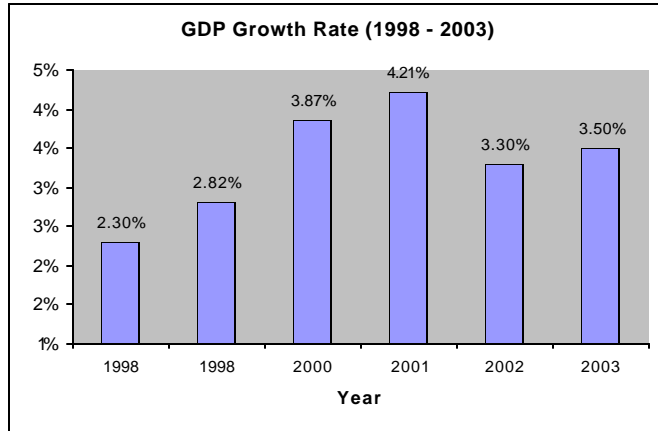
- The telecommunications sector of the economy was given a boost with the introduction of Global System of Mobile Communication services by Globacom, the Second National Operator. Globacom commenced services in August 2003, a year after it was issued the licence by the Nigerian Communications Commission (NCC).
- For the second consecutive year, the implementation of the Federal budget was marred by feuds that existed between the Legislative and Executive arms of government. Specifically, as at the commencement of the present administration on May 29, the fate of the Federal Budget for 2003 remained unknown by most stakeholders in the nations economy.
- The Federal Government deregulated the downstream sector of the oil industry in the last quarter of the year, which resulted in almost a 20% increase in the pump price of fuel products. The deregulation sparked off mass protests by various labour groups, with the umbrella Trade Union, Nigerian Labour Congress (NLC), threatening a general strike from October 8. The strike was however called off barely 2 hours to its commencement, as petroleum-marketing firms agreed to revert to the pre-deregulation pump price of N34.00 per litre of Premium Motor Spirit (PMS). Although the labour leaders picketed petrol stations to ensure that the retailers adhered to the agreement reached between both parties – petroleum marketers and labour – the prices of petroleum products never reverted to the pre-deregulation prices.
- As part of the efforts of the Federal Government to enhance its revenue generation, President Obasanjo announced the introduction of a fuel tax of N1.50 per litre of PMS and AGO with effect from January 1, 2004. The tax is set to replace the toll fees hitherto charged on Federal Road across the nation. The funds generated from the fuel tax are expected to be applied in the maintenance of Federal Roads.
- The Privatisation program of the Federal Government was stalled by a variety of opposition's particularly from various trade unions. Although the privatisation plan is well behind target, the Director General of the Bureau of Public Enterprises has recently announced plans to privatise 11 state owned agencies before the end of 2004.
- In October 2003, the Federal Government of Nigeria attempted to raise N150 billion from the domestic capital market via a bond issue. The bond issue, which was in four tranches of 3,5,7 and 10 years, was 48.375% subscribed. The poor performance of the issue was attributed to the absence of a generally accepted secondary market trading mechanism. The Debt Management Office has however announced plans to raise specified sums from the domestic stock market on a regular basis.

Review of the Economy

Although most economic analysts and observers are yet to come up with the level of growth in the Nigerian economy in 2003, the CBN has put the growth in the real GDP at 3.5%, while President Obasanjo has estimated that the nations economy grew by

5% in 2003. Currently, the consensus is that the growth in the economy in 2003 exceeded what was recorded in 2002. The following economic issue contributed in no small measure to the overall performance of the economy in the past year:

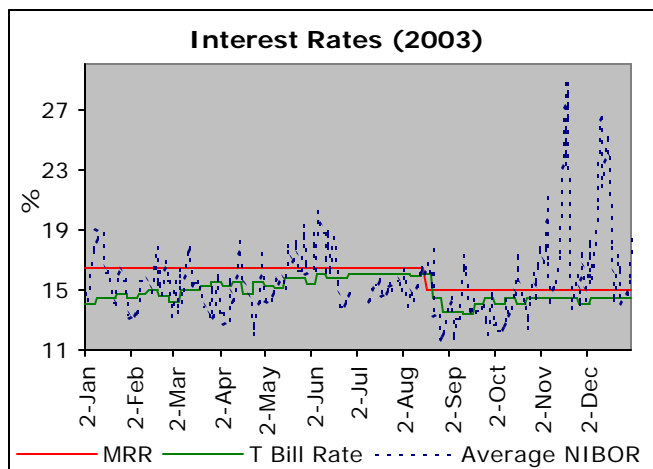
- The lingering feud between the National Assembly and the Executives, which stalled a series of economic activities including the speedy passage of the Federal Budget.
- Political uncertainties that pervaded the polity in the first half of the year, particularly as we approached the April General elections.
- Relative stability achieved in the value of the naira
- The deregulation of the downstream oil sector and the attendant effect on general price levels.
- The relatively high rate of inflation, particularly in the last quarter of the year.
- The achievement of a relatively low interest rate regime.



Financial Market Review

Fixed Income

- On a general note, interest rates were relatively lower in 2003 compared with 2002, as average 7-day NIBOR was 16.3% compared to 22.5% recorded in 2002.
- During the year, Interest rates continued to react to various economic factors such as the statutory flow of funds, the demand for foreign exchange and the CBN monetary policy for the year.
- Interest rates rose significantly in the fourth quarter of the year, as the market reacted to the exit of funds from the money market to finance the purchase of foreign exchange at the CBN auctions. Average 90-day NIBOR rose from



17% in the third quarter to 19% in the fourth quarter.

- In line with the stance of the Central Bank to ensure a low interest rate regime, the Minimum Rediscount Rate (MRR), was reviewed downwards by 150 basis points to 15.0% in August. With the recent reduction in the MRR, the CBN has restricted the maximum lending rate to 19% (i.e. MRR+4%).
- In order to ensure its effective control of the level of liquidity in the financial system, the CBN commenced the daily conduct of the Open Market Operations (OMO) in November.
- Interest rates were low in the third quarter, as the CBN eased its monetary policy by reducing the 91-day Treasury bill rate to as low as 13.39%. Hence average NIBOR ranged between 11.6% and 17.7% during the quarter.
- A distress scare swept through the banking industry, on the heels of the suspension by CBN of Societe General Bank, African International Bank and Bank of the North from the clearing House. Although the CBN refuted the distress news, it was evident that huge deposits exited the money market, as investors sought for a safe haven for their funds.
- Following the retirement of one of the Deputy Governors of the Central Bank of Nigeria, the erstwhile Managing Director of Wema Bank Plc, Mr Babatunde Lemo, was appointed as one of the Deputy Governors of the apex bank.
- In order to prevent bank from over-drawing their account with the CBN, the apex bank during the year revised the clearing system. Under the new system, selected banks will clear the cheques of other banks. As at December 31, 2003 the following Banks had been appointed by the CBN as settlement banks: First Bank of Nigeria Plc, Guaranty Trust Bank Plc, Union Bank Nigeria Plc, United Bank for Africa Plc and Zenith International Bank Limited.

Equities

- The successful and relatively peaceful conduct of the various party primaries gave a boost to investors confidence in the economy and particularly the stock market, as the NSE All-Share Index rose steadily in the first six weeks of the year.

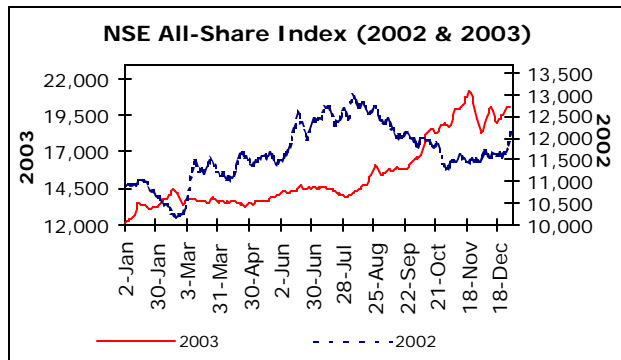
Equities Market Statistics

	2003	2002
Turnover (Volume)	13.2 billion	6.6 billion
Turnover (Value)	₦117.4 billion	₦59.2 billion
Closing NSE All-Share Index	20,128.94	12,137.72
Change in NSE All-Share Index	65.84%	10.71%
Closing Market Capitalisation	₦1,324.8 billion	₦748.7 billion
Quoted Equities	200	195
Change in CTSL 40 NEMI	62.40%	N/A
Change in CTSL 20 NEGI	67.99%	N/A
Change in CTSL Mfg. Index	70.08%	N/A
Change in CTSL Banking Index	19.94%	N/A
Change in CTSL Pet. Mkg. Index	167.97%	N/A
Change in CTSL Insurance Index	56.95%	N/A

- The stock market also benefited from the mass influx of funds into the capital from the money market, as investors sought higher returns following the low interest rate regime imposed on the money market.
- However, profit taking by investors in the third week of February took the steam out of the market, as share prices dipped considerably.

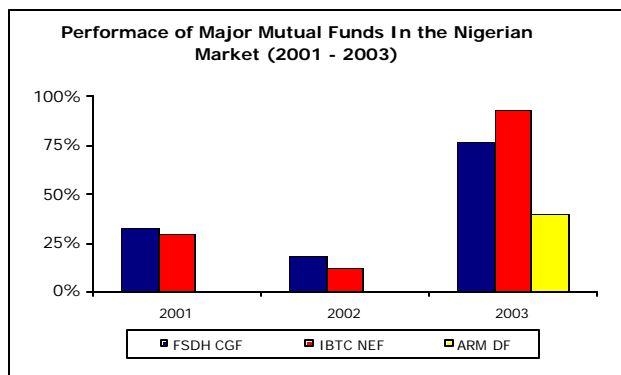
- Following profit taking by investors in February, the market remained flat till the end of May, as investors remained cautious ahead of the April elections. The market situation was worsened by the unfavourable reaction of investors to the announcement of results and benefits to the shareholders of some blue chip Companies.
- Upon the successful conduct of the April general elections, the stock market buoyed, as investors confidence in the market was rekindled. The Deregulation of Petroleum Prices, announcement of impressive results by some blue chip companies in the second half of the year and the distress scare in the banking industry, which triggered a flight of funds to the capital market, caused a Bull Run in the stock market in the latter part of 2003. Hence, the market recorded a return of 65.84%, the highest year-on-year return in the stock market since 1995, when the market recorded a return of 130.94%.
- The Nigerian stock market outperformed most of the major world stock markets in 2003. With a 58.24% change in the Nigerian stock market, in US\$ terms, the market outperformed the American, British, French, German and Japanese markets.
- Foreign investments made in the Nigerian capital market through The Nigerian Stock Exchange during the year were about \$1 million⁴ (approximately N137 million).

• The **Petroleum Marketing** sector recorded the most impressive performance in 2003, as the CTSL Petroleum Marketing Index⁵ grew by 167.97%. A significant portion of the growth was recorded in the last quarter of the year, following the deregulation of petroleum prices by the Federal Government.



• With the deregulation of petroleum prices, oil marketers have the liberty to import and sell petroleum products, without having to depend on the Nigerian National Petroleum Corporation (NNPC). Investors therefore anticipate a significant improvement in the earnings of companies operating within the sector.

• The **Manufacturing sector** also recorded positive returns, as the CTSL Manufacturing Index appreciated by 70.08% to close the year at 170.08. The growth in the sector came on the heels of the announcement of impressive results and benefits to the shareholders of blue chip manufacturing Companies.



• The **CTSL Insurance** Index recorded a 56.95% growth, as isolated demand for selected stocks pushed up the share values of some insurance companies.

⁴ The review of the NSE in 2003, delivered by the DG of the NSE

⁵ The CTSL Indices have a start date of January 31, 2003, with a base value of 100

- A number of Insurance Companies raised funds from the capital market during the year. This was necessary for them to comply with the minimum capital requirement for insurance Companies, contained in the New Insurance Act.
- The returns in the **banking sector** was disappointing for investors, as the CTSL Banking Index rose by 19.94%. The performance of the banking stocks can be tied to the unimpressive interim and full year results released by most banks in 2003.
- In recent times, there has been a gradual shift in the markets sentiments towards investments in **Mutual Funds**, as indicated by the increasing number of funds quoted on The Nigerian Stock Exchange. As at December 31, 2003 there were seven Mutual Funds with memorandum quotation on The NSE.

25 Most Capitalised Stock

	Company	Market Capitalisation as at 31-Dec-2003 (=N=)
1	NIGERIAN BREW PLC.	238,828,678,348.80
2	GUINNESS NIG PLC	99,114,994,860.00
3	UNION BANK NIG. PLC	83,928,558,000.00
4	NESTLE FOODS NIGERIA PLC	66,054,687,500.00
5	FIRST BANK OF NIG. PLC	60,973,612,440.00
6	NIG. BOTTLING CO. PLC	60,416,402,758.00
7	TOTAL NIGERIA PLC	57,077,879,775.00
8	UNILEVER NIG. PLC	55,992,784,481.50
9	CADBURY NIGERIA PLC	48,603,422,000.00
10	TEXACO (NIG) PLC	47,533,057,280.00
11	CONOIL	39,441,570,000.00
12	MOBIL OIL NIG PLC	34,605,125,405.90
13	GUARANTY TRUST BANK PLC	32,970,000,000.00
14	W.A. PORTLAND COMP. PLC.	31,748,352,037.02
15	U.B.A PLC.	26,494,500,000.00
16	M-NET/SUPERSPORT	23,632,494,900.00
17	P.Z. INDUSTRIES PLC	15,908,771,295.56
18	ASHAKA CEM. PLC	15,575,625,000.00
19	OANDO PLC	15,493,308,992.00
20	AFRIBANK NIGERIA PLC	15,082,916,657.56
21	INTERCONTINENTAL BANK PLC	15,078,800,250.00
22	CHARTERED BANK PLC	14,016,274,107.50
23	WEMA BANK PLC	13,552,225,596.00
24	7 UP BOTTLING COMP. PLC	11,196,485,525.00
25	FLOUR MILLS NIG. PLC	10,097,360,000.00

Stock market Returns

25 Top Performers⁶

S/N	Security	Price 31-Dec-2002	Price 31-Dec-2003	Cash Dividend	Bonus Ratio	Change in price (%)	Total Return (%)
1	CONOIL PLC	14.69	114.99	2.00	-	682.78	696.39
2	NIGER CEM. PLC	0.94	4.91	-	-	422.34	422.34

⁶ Please contact CTSL Research for a comprehensive list of returns in 2003

S/N	Security	Price 31-Dec-2002	Price 31-Dec-2003	Cash Dividend	Bonus Ratio	Change in price (%)	Total Return (%)
3	7 UP BOTTLING COMP. PLC	5.98	27.31	0.75	-	356.69	369.23
4	ACADEMY PRESS PLC	0.53	2.35	0.04	-	343.40	350.94
5	AFRICAN PETROLEUM PLC	12.02	42.87	-	-	256.66	256.66
6	C & I LEASING PLC	1.08	2.20	0.15	2 for 3	103.70	253.40
7	GUINNESS NIG PLC	44.00	84.00	7.92	2 for 3	90.91	236.18
8	COOPERATIVE BANK PLC	1.50	3.15	0.10	1 for 2	110.00	221.67
9	TEXACO (NIG) PLC	56.01	160.00	1.50	-	185.66	188.34
10	AFROIL PLC	0.25	0.72	-	-	188.00	188.00
11	ETERNA OIL & GAS PLC	0.70	2.01	-	-	187.14	187.14
12	MOBIL OIL NIG PLC	64.05	143.95	2.46	1 for 4	124.75	184.77
13	GUARANTY TRUST BANK PLC	5.10	10.99	0.60	1 for 5	115.49	170.35
14	R T BRISCOE PLC	2.57	5.26	0.35	1 for 4	104.67	169.46
15	TOTALFINAELF NIGERIA PLC	69.00	175.00	8.00	-	153.62	165.22
16	AIICO INSURANCE PLC	1.31	2.48	0.10	1 for 3	89.31	160.05
17	NORTHERN NIGERIA FLOUR MILLS PLC	9.62	16.25	0.50	1 for 2	68.92	158.58
18	U A C N PLC	4.10	10.20	0.35	-	148.78	157.32
19	CHAMPION BREW. PLC	0.50	1.26	-	-	152.00	152.00
20	LASACO ASSURANCE PLC	0.90	1.10	0.05	1 for 1	22.22	150.00
21	GLAXO SMITHKLINE CONSUMER NIG. PLC	3.30	8.02	0.22	-	143.03	149.70
22	PRESKO PLC	5.25	12.18	0.50	-	132.00	141.52
23	MAY & BAKER NIGERIA PLC	1.87	4.09	-	-	118.72	118.72
24	NIGERIAN BREW PLC.	30.20	63.20	2.10	-	109.27	116.23
25	EKO INTERNATIONAL BANK PLC	1.29	2.73	-	-	111.63	111.63

25 Worst Performers

S/N	Security	Price 31-Dec-2002	Price 31-Dec-2003	Cash Dividend	Bonus Ratio	Change in price (%)	Total Return (%)
1	ADC	2.69	1.00	-	-	(62.83)	(62.83)
2	EKOCORP PLC	3.28	1.37	-	-	(58.23)	(58.23)
3	UNION DICON SALT PLC	7.60	3.35	-	-	(55.92)	(55.92)
4	INLAND BANK (NIGERIA) PLC	1.92	0.81	0.05	-	(57.81)	(55.21)
5	NAL MERCHANT BANK PLC	3.70	1.61	-	1 for 5	(56.49)	(47.78)
6	INTERNATIONAL BREWERIES PLC	1.20	0.63	-	-	(47.50)	(47.50)
7	NCR (NIGERIA) PLC	1.12	0.59	-	-	(47.32)	(47.32)
8	FSB INTERNATIONAL BANK PLC	6.02	2.60	-	1 for 4	(56.81)	(46.01)
9	FIRST ALUMINIUM NIGERIA PLC	1.36	0.74	-	-	(45.59)	(45.59)
10	NIGERIAN WIRE AND CABLE PLC.	1.12	0.62	-	-	(44.64)	(44.64)
11	NEIMETH INTERNATIONAL PHARM	4.45	2.62	0.12	-	(41.12)	(38.43)
12	CO-OPERATIVE DEVELOPMENT BANK PLC	1.49	0.96	-	-	(35.57)	(35.57)
13	BAICO INSURANCE PLC	1.13	0.75	-	-	(33.63)	(33.63)
14	JOHN HOLT PLC	0.88	0.59	-	-	(32.95)	(32.95)
15	AFPRINT NIGERIA PLC	0.60	0.42	-	-	(30.00)	(30.00)
16	TRIPPLE GEE AND COMPANY PLC	0.47	0.33	-	-	(29.79)	(29.79)
17	WEST AFRICAN PROV.INS.COY.PLC	1.60	1.05	0.15	-	(34.38)	(25.00)
18	UNIVERSITY PRESS PLC	1.88	1.34	0.15	-	(28.72)	(20.74)
19	HALLMARK BANK PLC	2.83	2.25	-	-	(20.49)	(20.49)
20	ADSWITCH PLC	0.82	0.66	-	-	(19.51)	(19.51)
21	LIBERTY BANK PLC	2.03	1.64	-	-	(19.21)	(19.21)
22	MANNY BANK PLC	1.81	1.33	-	1 for 10	(26.52)	(19.17)
23	ENPEE INDUSTRIES PLC	1.91	1.56	-	-	(18.32)	(18.32)

S/N	Security	Price 31-Dec-2002	Price 31-Dec-2003	Cash Dividend	Bonus Ratio	Change in price (%)	Total Return (%)
24	LIVESTOCK FEEDS PLC	3.45	2.83	-	-	(17.97)	(17.97)
25	G CAPP A PLC	3.70	3.04	-	-	(17.84)	(17.84)

Outlook for 2004

Economy

- The president has set the following macro-economic targets for 2004:
 - Inflation Rate 9%
 - Maximum interest rates 16%
 - Minimum Rediscount Rate 12%
- Although we note that some of the macro-economic targets set by President Obasanjo are somewhat ambitious, we are optimistic that the various economic reforms should steer the economy in the direction of this set targets.
- If recent statements credited to members of the National Assembly are anything to go by, we expect the early passage of the 2004 budget, which should ensure the implementation of the Federal Budget.
- With the US-led invasion of Iraq over, we expect an increase in the world's supply of crude oil in 2004. This could lead to a cut in oil prices and subsequently a significant drop in the nations revenue in 2004.

Outlook for Fixed Income Market

- We expect interest rates to remain relatively stable in the first quarter of 2004. However, an upward pressure may be exerted on interest rates in the later part of the year if the Federal Government realises its plan to raise money from the domestic capital market on a regular basis.
- In its monetary guidelines for 2004/2005, the CBN stated that public deposits might be withdrawn from the banking system. If this scenario plays out, we anticipate a hike in interest rates within the system.

Outlook for Equities Market

- Following the phenomenal growth recorded in the stock market last year, without a corresponding increase in Company earnings, we anticipate some correction in the stock market prices this year. We therefore urge investors not to be carried away by the market performance last year.
- We forecast growth of between 15% and 20% by the end of the first half of the year and between 25% and 30% by the end of the year.
- The relative stability in the value of the naira and the steady supply of petroleum products should impact positively on the performance of **manufacturing companies** in 2004. However, the expected rise in interest cost could increase the financing costs of these companies. With this at the back of our minds, we expect an improvement in the results of companies within this sector. We project an increase between 30% and 40% in the value of the CTSL Manufacturing Index

at the end of the year. A large proportion of the gains in the sector index should be from the Breweries, Conglomerates and the Food & Beverages sector.

- We do not anticipate a remarkable improvement in the performance of **Banks** in 2004, as most of the interim results announced so far do not indicate an outstanding performance. However, the announcement of a few banks as settlement banks could stir investor's confidence in the affected stocks. Furthermore, we expect to see a rise in the price of First Bank of Nigeria Plc once the technical suspension on its price is lifted and this could have a ripple effect on the prices of other banking stocks. Hence, we expect the CTSL Banking Index to have risen by between 15% and 25% by the end of the year.
- Judging by the relatively high PE Ratios available in the **Petroleum Marketing** sector, we expect a correction in the some of the prices within the sector. With this in mind, we anticipate that the growth in the sector index will be between 20% and 30% by the end of the year.
- The eventual passage of the Pension Reforms Bill should give a boost to the **insurance** industry in Nigeria. However, we expect that the increase in business opportunities for these Companies may not immediately translate into improved earning. Hence, we still hold investments in the Insurance sector with cautious optimism. Although we anticipate an increase of between 15% and 20% in the market at the end of the year, the liquidity of insurance stocks remain a key deterrent to investments.

Recommended Asset Allocation

	Q1, 2003	Q2, 2003	Q3, 2003	Q4, 2003
Equities	70%	60%	55%	65%
Fixed Income	30%	40%	45%	35%

Model Equity Portfolio

Our model trading portfolio for the first quarter of 2004 is as shown below:

S/N	COMPANY	PRICE (16-Jan-04)	TARGET ENTRY PRICE	FORECAST EXIT PRICE	ABSOLUTE RETURNS*	RECOMMENDED WEIGHT	WEIGHTED RETURN
1	Access Bank	3.03	3.00	4.00	24%	10%	2.4%
2	Guaranty Trust Bank	13.55	13.55	17.00	17%	9%	1.53%
3	First Bank	20.00	20.00	30.00	40%	21%	8.4%
4	Union Bank	26.40	26.00	30.00	7%	2%	0.14%
5	Chartered Bank	3.69	3.50	4.50	19%	10%	1.9%
6	Guinness	85.00	85.00	95.00	4%	2%	0.08%
7	Nigerian Breweries	71.00	71.00	85.00	11%	8%	0.88%
8	UACN	13.13	13.00	18.00	29%	16%	4.64%
9	Unilever	19.10	19.00	22.00	8%	2%	0.16%
10	Conoil	122.00	116.00	140.00	13%	7%	0.91%
11	Total	205.00	180.00	210.00	9%	3%	0.27%
12	Texaco	174.00	160.00	185.00	8%	2%	0.16%
13	Cadbury	73.50	73.50	89.50	14%	6%	0.84%
14	Nestle	136.01	136.00	150.00	3%	2%	0.06%
	TOTAL PORTFOLIO RETURN						22%

*Inclusive of all transaction costs

Please note that in creating this model portfolio, we have take the performance and liquidity of the selected stock into consideration.

World Stock Market Indices

North/Latin America	YTD CHANGE
Dow Jones Industrial Average	24.44%
S&P 500 Index	26.08%
NASDAQ	48.94%
Brazil Stock Market Index	97.34%
Europe/Africa	
FTSE/JSE Africa All Share	11.96%
NSE All-Share Index	65.84%
Swiss Market Index	18.51%
FTSE 100 Index	25.49%
CAC 40 Index	16.12%
DAX Index	44.30%
Asia/Pacific*	
NIKKEI 225 Index	24.45%
Hang Seng Index	34.92%

Source: Bloomberg, FSDH/CTSL Research, Yahoo Finance

First Securities Discount House Limited and Counters Trust Securities Limited, 1/5 Odunlami Street, P.M.B. 12913 Lagos. (Website) www.fsdh-ltd.com, www.counterstrust.com (Email) research@counterstrust.com (Tel) 234-1- 2640160-9 (Fax) 234-1-2640173-4

This report is produced by First Securities Discount House Limited (FSDH) and Counters Trust Securities Limited (CTSL) solely for the information of users who are expected to make their own investment decisions without undue reliance on any information or opinions contained herein. The opinions contained in the reports should not be interpreted as an offer to sell, or a solicitation on any offer to buy any investment. Whilst every care has been taken in preparing this document, no responsibility of liability is accepted by any member of FSDH or CTSL as to the accuracy of the information contained herein.