



Costain West Africa Plc Is Stock Of The Week

The week of September 3rd to 7th 2007 saw IPWA, Ekocorp, Costain West Africa, Airline Services and Logistics and Cutix commanding very high percentage gain in price appreciation as they gained 20%, 21.17%, 25.81%, 21.41% and 21.34% respectively. The above companies also pulled very high volumes of trades with Ekocorp in the first position; 2,877,025 units of the stock traded places in 48 deals. Following closely is Costain West Africa with 2,703,974 units of its stock bought and sold in 85 deals. IPWA had 1,196,154 units sold in 52 deals, Airline Services had 1,528,500 units sold in 43 trades and lastly, 750,687 units of Cutix stock were sold in 75 trades.

Costain West Africa, a company into building and civil engineering contracts as well as furniture manufacturing, however emerged as our stock of the week due to its superior cumulative of price percentage gain, liquidity/availability in terms of volume and deals, returns to investors in terms of price appreciation, dividend and bonus offer from January 2006 till date and profitability margin of the company.

Costain gained 25.18% in price appreciation within the week under review with an opening price of N14.80K and a closing price of N18.62K. The stock was also highly liquid as a total of 2,703,974 units of the stock exchanged hands in 85 deals. Investments in Costain for the period covering January 2006 till date also posted the highest returns amongst the other high percentage gainers for the week listed above with 1,673.3%. IPWA followed with 1,045.9% gain, Ekocorp with 660.98% gain and Cutix with 490% gain. As for Airline Services, which was only listed on July 25, 2007, the values are not present for the comparison, though it has stirred in price within its one month of trading or thereabout, gaining 345.5%.

There is an impressive rebound in Costain's financials. Contrary to the loss of N1.5 million made in 2005, PAT in 2006 increased to N0.11 million, translating into an increase of 107.2%. Considering different building projects going on in both the private and public

sectors of the country, it is expected that Costain will be able to generate more profit this year than in the previous year and this certainly will rub off on the share price causing more bubbles. ■

Quote of the Week

" Money has been proved over time to assume and reflect the character of its possessor."

- Charles Mekwunye

Market Summary

Bullish transactions on the trading floor of the Nigerian Stock Exchange raised the market capitalization from N7.82 trillion to N8.34 trillion last week as the market witnessed a positive rebound after several weeks of bearish trading. Consequently, the All Share Index increased by 161.40 basis points to close at 52,452.49 points as against 50,291.09 points at the end of trading last Friday.

However, the market return for the week dipped by 1.33% as the NSE recorded a turnover of 2.37 billion ordinary shares valued at N33.9 billion executed in 54,624 deals in contrast to 2.6 billion ordinary shares worth N34.36 billion exchanged in 55,741 deals the previous week.

The trading result for the week under review showed that the banking subsector traded a total of 1.139 billion ordinary shares valued at N24.36 billion executed in 31,845 deals to remain the most active sector in terms of the volume, value of shares traded and number of deals executed despite a decline of 43 million ordinary shares when compared with a total of N1.56 billion ordinary shares valued at N25.2 billion traded in 31,971 deals at the close of trading the previous week.

The banking sector accounted for 58.2% of the total deals executed, 48% of the total volume traded, 73% of the total market return last week and was largely driven by activities in the shares

of FirstInland Bank, GTBank, Ecobank, Sterling Bank, Zenith Bank, UBA, Union Bank, Wema Bank and First Bank.

On the other hand, the insurance subsector traded a volume of 871 million ordinary shares valued at 2.6 billion accomplished in 7,277 deals to maintain its second position on the activity chart of the Nigerian Stock Exchange.

The insurance sector accounted for 13.3% of the total deals executed, 36% of the total volume traded, 7.7% of the total market return and was boosted by activity in the shares of **Staco Insurance, Equity Assurance, Mutual Benefit Assurance, Lasaco Assurance, International Energy Insurance and Oasis Insurance.**

Lastly, the Nigerian Stock Exchange price movement chart for the week ended September 7, 2007 showed that **Nestle Nigeria Plc** led a total of 92 price gainers with N14.01 to close at N215.00 per share, **Total Nigerian Plc** led the 30 top price losers with a loss of N7.00 to close at N152.00 per share; while 87 stocks maintained their share prices. ■

Market Outlook

We believe the market is gradually coming to life after several weeks of continuous decline in market indices and expect the market to witness more activities during the week as companies turn in their full year and quarter results.

Nevertheless, the ongoing Public Offer of **International Breweries Plc**, Offer for sale of **Dangote Flour**, Hybrid Offer of **NAHCO**, and other Primary Market Offers that are billed to open soon will increase activities in the primary segment of the market as investors show interest in participating in these offers.

We hereby advise investors to stick to stocks with excellent fundamentals and prospect for growth over the long term in order to achieve maximum returns. ■

Market News

Price Adjustment

The share prices of **PZ Cussons Plc** and **Union Homes Savings and Loans Plc** were adjusted for cash and scrip dividends on Monday, September 3, 2007. **PZ Cussons** was adjusted for a cash dividend of 71kobo per share and a scrip dividend of one new share for every four already held while **Union Homes** was adjusted for a cash dividend of 5kobo per share and a scrip dividend of one new share for every four held. ■

Listing

The shares of **Ikeja Hotels Plc** were listed on the floor of the NSE on Thursday, September 6, 2007. The Symbol for the stock is **IKEJAHOTEL**.

Also on Friday, September 7, 2007 the Nigerian Stock Exchange (NSE) listed 4,989,853,959 ordinary Shares of and 18,000,000 Irredeemable Non-Cumulative Preference Shares in the name of **Intercontinental Bank Plc.** ■

Dividend Payment

Following the release of its full year audited results last week, **EKOCORP Plc** proposed a dividend payment of 15k and a bonus issue of 1 for 6 with closure date of October 22, 2007, while **Adswitch Plc** proposed a dividend of 4k with closure date of October 15, 2007. ■



Update on Upcoming Sterling Bank Offer

- **Shareholders have approved the bank's plan to raise additional funds of up to N100bn.**
- **The fund is likely to be raised through convertible loans, debt equity, public offer or right issues.**
- **The Bank's intention to raise its capital is currently at the advanced stage and will be concluded in the next three months.**
- **Bank has not filed any application with SEC.**
- **Offer price and amount of shares to be offered will be made public at a later date.**
- **Offer date likely to be December.**
- **Prospectus will be available as soon as the offer opens.** ■

Corporate Action Expected For The Week

Company	Result	DPS (N)	Bonus Ratio	Closure Date	Payment Date
University Press	Full year, Mar 2007	0.30	Nil	10-Sep-07	27-Sep-07

Primary Equities on Offer

Company	No of Shares	Offer Price	Opening Date	Closing Date
Access Bank	Minimum-1000 units	N14.90	July 23	Sept 12
Dangote Flour	Minimum-1000 units	N15.00	Sept 6	Sept 27
International Breweries	Minimum-1000 units	N0.87	Aug 31	Sept 28
NAHCO	Minimum-1000 units	N17.50	Sept 10	Sept 28

Top 10 Gainers For The Week

	31-Aug-07	07-Sep-07	1-Week
SYMBOL	PCLOSE	CLOSE	% CHANGE
COSTAIN	13.28	17.74	28.36
AIR SERVICES	14.68	18.71	27.45
CUTIX PLC	14.82	18.88	27.39
NASCON	17.12	20.95	22.37
ZENITH	42.69	49	14.78
BCC	40.12	45.85	14.28
UNION BANK	37.8	42.9	13.49
FIRST BANK	39.27	44	12.04
NESTLE	200.99	215	7.01
MOBIL OIL	163.1	167	2.39

Top 10 Losers For The Week

	31-Aug-07	07-Sep-07	1-Week
SYMBOL	PCLOSE	CLOSE	% CHANGE
PZ CUSSONS	32.1	25.36	20.9
TRANSCORP	9.23	7.17	22.3
AVON CROWN	4.09	3.36	17.84
AFROIL	6.65	5.48	17.59
UNION DICON	12.07	10.30	14.66
ALUMACO	3.93	3.39	13.74
UNION LTD	8.41	7.61	9.51
CAPPA	32.59	29.7	8.86
TOTAL	159	152	4.4
OANDO	82	79	3.65
JULIUS BERGER	58.44	56.5	3.31

Company Results

Law Union and Rock		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
31-Mar-07	3Mths	729.60	171.00	34.20	136.80
31-Mar-06	3Mths	423.60	77.00	23.10	53.90
% Change		72.24%	122.08%	48.05%	153.80%
Law Union and Rock		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
31-Dec-06	12Mths	1,330.00	179.30	14.70	164.60
31-Dec-05	12Mths	1,100.00	165.00	12.60	152.30
% Change		20.91%	8.67%	16.67%	8.08%
A. G. Leventis		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
30-June-07	6Mths	3,200.00	364.20	116.60	218.70
30-June-06	6Mths	3,100.00	331.30	108.80	183.80
% Change		3.23%	9.93%	7.17%	18.99%
Champion Breweries		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
30-June-07	6Mths	945.10	-121.00	0.00	-121.00
30-June-06	6Mths	502.20	-157.00	0.00	-157.00
% Change		88.19%	-22.93%	0.00%	-22.93%
Ekocorp Plc		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
31-Dec-06	12Mths	457.70	83.30	17.70	65.60
31-Dec-05	12Mths	422.90	74.20	11.90	62.30
% Change		8.23%	12.26%	48.74%	5.30%
Julius Berger		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
30-June-07	6Mths	34,100.00	985.00	295.00	690.00
30-June-06	6Mths	27,300	873.70	265.00	608.70
% Change		24.91%	12.75%	11.32%	13.36%
Julius Berger		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
31-Mar-06	3Mths	14,800.00	450.00	150.00	300.00
31-Mar-05	3Mths	11,600.00	360.00	108.10	252.00
% Change		27.59%	25.00%	38.76%	19.05%
Diamond Bank		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
31-July-07	3Mths	10,400.00	2,500.00	502.40	2,000.00
31-July-06	3Mths	7,980.00	1,550.00	319.20	1,230.00
% Change		30.33%	61.29%	57.39%	62.60%

Adswitch		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
31-Apr-07	12Mths	57.20	7.90	2.70	5.20
31-Apr-06	12Mths	38.10	5.20	0.14	5.10
% Change		50.13%	51.92%	1,775%	1.96%
Nigerian Bottling Company		Turnover	PBT	TAX	PAT
		N'm	N'm	N'm	N'm
30-June-07	6Mths	34,100.00	2,000.00	332.00	1,680.00
30-June-06	6Mths	30,300.00	240.00	266.00	506.00
% Change		12.54%	733.33%	19.88%	232.02%

Hot Stocks for the Week

STOCK	TARGET ENTRY PRICE	TARGET SALE PRICE
ZENITH BANK	N48.00	N65.00
UNIVERSITY PRESS	N6.00	N12.00
NASCON	N22.00	N38.00
JULIUS BERGER	BELOW N55.00	N75
COSTAIN	N18.00	N27.00

Executive Summary And Investment Rationale

ZENITH BANK

Recommendation: Buy **Entry price:** N48 **Target price:** N65

Background

Zenith Bank Plc was incorporated on 30th of May 1990 as a private limited liability company. It commenced operations on July 16, 1990 and became a public liability company on 20th May 2004. It was officially listed on the floor of the Nigerian Stock Exchange on 21st October 2004. The bank is into universal banking and offers a wide array of services such as corporate, retail and investment banking, funding of Small and Medium Enterprises (SMEs), venture capital, export and import finance, treasury and other financial services, asset management, financial advisory services, amidst others. The banks' investment in technology has positioned it for a wide range of e-business products and solutions for both corporate bodies and individuals. It also has a competitive advantage in international on-line retail banking and is a leading Western Union vendor. The bank was rated AA- by Fitch UK, which described Zenith as a strong retail franchise with a stable and growing deposit base with good capital standing supported by consistent profitability and was also rated as the most dominant bank in terms of customer service by KPMG in its 2007 survey of the banking industry. The bank has a network of about 200 branches and intends increasing them. The company's

registrar is Zenith Registrars Limited while it's financial year- end is 30th June. Mr. Jim Ovia is the MD/CEO of the bank.

Investment Basis

Zenith Bank, since inception, has consistently improved upon its financials. With the release of its financials for the year ended June 2006, gross earnings increased by 53% from N58.2bn in 2005 to N89.2bn in 2006. PAT increased by 52% from N11.5bn in 2005 to N17.5bn in 2006, while total asset increased by 45% from N610.8bn in 2005 to N883.9bn in 2006. Shareholders fund increased by 146% from N37.8bn in 2005 to N93.8bn in 2006. Over a five-year period, gross earnings increased by an average of 40%, PAT by an average of 34% and total asset increased by an average of 54%. The bank recently did a dividend payout of N1.00 out of an EPS of N1.64 and a bonus of one for every four shares held.

Future Outlook

The bank has channeled huge resources into e-business services to offer fast, varied and diverse online real time services to meet and surpass the needs of customers. The bank sees e-business as the next frontier capable of creating profits. The bank has its eyes on expanding its role in the financial institutions market through branch expansion and investment in information technology. Zenith Bank also wants to increase its lending loan portfolio among manufacturing companies and multinationals and funding of SMEs in Nigeria. Shareholders of the bank recently approved that the bank raise additional N250 billion capital part of which would be devoted to new branches development. When done, this would boost the capacity of the bank to increase gross earnings and make more profit. The future for the industry is bright and being one of the major players, investment in its share is worthwhile. It is a good buy for both short term and long term investment. The price of N65/share is projected to occur within the next six months. ■

UNIVERSITY PRESS

Recommendation: Buy **Entry price:** N6.00 **Target price:** N12

Background

University Press Plc was founded in 1949 under the name Oxford University Press Nigeria. At incorporation as a Public Liability Company in 1978, the company's name was changed to University Press Limited with an authorized share capital of 8,000,000 ordinary shares of 50k each. Quoted on the Nigeria Stock Exchange (NSE) on August 14, 1978, the company's activity spans through publishing, distribution and sale of books. University Press has grown to become one of the oldest, most experienced

and foremost publishers of materials for educational and general reading in the country. It has, on two occasions, won the prestigious Stock Exchange Merit Award in the service sector of quoted companies. It also won for two consecutive years 1984 and 1985, the Concord Prize for Excellence in academic publishing. Financial year-end is 31st March. Mr. Samuel Kolawole is the Managing Director.

Investment Basis

The performance of the company has been impressive over the years. The recently released audited full year result for the year ended March 31, 2007 shows that turnover increased by 26.2% from N543.2million in 2006 to N691.8million in 2007. Profit Before Tax (PBT) shot up by a whopping 60.45% from N104.7million in 2006 to N168.0million in 2007 consequently, Profit After Tax (PAT) moved up by 55.6%, from N70.3million in 2006 to N109.4million in 2007. The company has a policy of rewarding shareholders as well. Based on the performance for 2006/2007 financial year, the management has proposed to pay dividends of N0.30k out of an Earnings Per Share (EPS) of N0.37. The Dividends Per Share (DPS) of N0.30 represents a 5 kobo increase from N0.25k declared the previous year.

Future Outlook

Nigeria has a large population. Reading culture is still low and there are attempts by government at all cadre to improve the reading culture of the people. Schools both at the elementary and at the tertiary levels continue to be on the increase. The combined effect of this is that of a growing market for the business of University Press and other companies into that line as e-learning is still at its nadir. The company just concluded its rights. The purpose of the offer is to expand its business network. With the war on piracy given more bite, the future is bright for the company.

The fresh injection of funds combined with the good results released is expected to cause further rally in the price of the stock. Long-term investors can conveniently take position in the stock being a growth stock and based on sound business fundamentals that the company is exhibiting. The share price is expected to rally up to N12 in the next eight months. ■

NASCON

Recommendation: Buy **Entry price:** N22.00 **Target price:** N38

Background

National Salt Company of Nigeria (NASCON) was incorporated on April 30, 1973 as a Federal Government Company with its

object clause as refining and distribution of edible and industrial salt. NASCON was later quoted publicly on the floor of the Nigeria Stock Exchange on October 20, 1992 when it was listed under the food, beverages and tobacco sector. The corporate office and factory of the company is headquartered at Otta, Ogun State. For 12 years and before the merger with Dangote Salt Limited, the company experienced dismal performance that almost led to its extinction. Its stock was immobilised at N0.69 on the exchange since 2003. The merger consummated with Dangote Salt Limited in January 2007 saw to the re-listing of the stock on the floor of the Exchange at N5.00 per ordinary share in March 2007.

The rally that followed the re-listing saw the stock attaining an all-high price of N27.16 on Tuesday, June 19 2007, barely 3 months after. At this point, positioning into the stock became as hard as passing a thread through the eyes of a needle as more and more investors thronged to the exchange for the stock. In an attempt to salvage the situation, the new owner Alhaji Aliko Dangote of the Dangote Group, relinquished 400 million units off his 95% holding in the company on Friday, June 15, 2007 to the general investing public. The sale, which price was N22.00 per share at a time the stock was selling at N27.00 was by way of special notice for sale. The company has its year-end as December 31. Mr. Ade Adeniji leads the management team in the capacity of Managing Director/CEO.

Investment Basis

Efforts at resuscitating the company are yielding results as the company's recently released six months results revealed an overwhelming performance. The company posted a whopping 3,228.6% growth in turnover from a turnover of N70m in 2006 to a turnover of N2.33bn in the current year. The company's PAT for the 6 months also posted an intimidating margin of returns. 13,000% growth in PAT of N516m was posted from a loss position of N4m in the corresponding period in 2006.

Future Outlook

With cumulative losses spanning over six years, which saw the funds of shareholders run into the negative, NASCON has returned to profitability with the recently posted 6 months unaudited results. Since after the merger with Dangote Salt, the new company has leveraged on the Dangote Group of Companies to achieve capacity expansion with huge reduction in production cost.

The company's Managing Director, Mr. Ade Adeniji has forecasted a dividend of 60 kobo per share for the current financial year, 80

kobo in 2008 and 100 kobo per share in 2009. NASCON is also projected to, progressively in three years, hit profit after tax of N1.39 billion in 2007, N2.14 billion in 2008 and N2.62 billion in 2009.

Plans are also under way in the company to, among other things, diversify its operations by manufacturing and distributing processed products like 'Petti' brand of tomato puree, as well as taking advantage of available opportunistic acquisitions. About \$12 million has been budgeted for this. NASCON hopes to expand its operations into the West African market to boost its profit margins. The company is determined to meet the largely inelastic demand profile, enhance the market for major inputs in food production and fulfill import substitution objectives. NASCON plans to transform into an exporter and has changed its raw materials supply base from Australia to South Africa to enhance timely delivery.

Determined to expand its shareholder base, NASCON is expected to come out with a public offer before the next three months. Indeed, it's a come back with a force likened to that of a tornado for the company. With all the plans lined up by the company, the stock is a very good investment. It's a value stock as well as a growth stock. Our recommendation is 'Hold' to investors who already possess the stock. New investors can enter into it at any price below N22/share. A price of N38/share is targeted in seven to eight months' time. ■

JULIUS BERGER

Recommendation: Buy **Entry price:** Below N55.00 **Target price:** N75

Background

Julius Berger Nigeria Plc, a German construction company, was incorporated in Nigeria in 1970. The company is known for constructing most of Nigeria's infrastructure such as the construction of the Eko Bridge in August 1965, which incidentally was the company's first contract in the country. It was listed on the NSE in 1991 and its activities include undertaking complex and diverse projects nationwide. The company has to its credit world-class machineries and equipments as well as tested and proven expertise. This pedigree has fetched the company its status as one of the most trusted and reliable companies on the NSE. Mr. G. Marks is the Managing Director of the company while H. Stockhausen is the Joint Managing Director. The company has its year-end for every 31st December.

Investment Basis

Look into the books of the company as its last financial year ended, December 31st, 2006, shows a turnover of N56.8 billion an improvement of 42.7% per cent from the previous year's turnover of N39.8 billion. It recorded a PBT of N2.20 billion rising by 98% from N1.11 billion in 2005, while its PAT appreciated by 76.5% from N0.63 billion in 2005 to N1.11 billion.

The company's dividend history in the last three years has been consistent and increasing. At year-end in December 2005, it paid out a dividend of 70 kobo per share to its shareholders in contrast to a dividend of 25 kobo in the previous year. For the current financial year-end, the company doled out a dividend of 90 kobo per share out of an EPS of N3.97.

Future Outlook

Julius Berger doubles as a giant and a household name in the construction industry in the country with over 40 years experience. The company has handled majority of the high profile construction projects in the country, with more still in their offing waiting execution especially in the distraught Niger Delta region.

With the commitment of the present Yar'Adua administration towards improving the state of roads in the country, contract opportunities loom for Julius Berger due to the expertise edge it has over competition, a ready avenue to improve earnings.

During the military rule, the company almost went under, running into financial problems because of high-level indebtedness to the company by the government making its operations very difficult thus causing black cloud of some sort on its share price. But on return of democracy to the fatherland, its debt profile has reduced, though it said that it is still owed a lot of money by governments at the various levels.

Fortunately, the Nigerian Senate is pressing for the payment of all local debts by the various tiers of government. The Senate has equally recommended that henceforth contracts provided for in appropriation bills should be awarded.

If and when actualized, Julius Berger's profit would be catapulted. The company's celebrated expertise and professionalism in the construction industry is itself a profit fortress. Garnished with a solid fundamental base, an investment into the company's stock both in the short and long term has promises of bountiful returns for investors. The stock once reached an all-time high of N67.20 this year, an investment into it at a price below N55 is still okay as it will definitely rally up to about N75 seven months from now. ■

COSTAIN (WEST AFRICA)

Recommendation: Buy **Entry price:** N18.00 **Target price:** N27

Background

Costain W. A. Plc is a building and civil engineering contractor and furniture manufacturer. It was established on July 16, 1948 and listed on the Nigerian Stock Exchange on March 13, 1974. Costain Engineering and Construction (Overseas) Limited has majority stakes in the company. Costain has carried out many projects in the country, one of which is the Oyo Water Supply Project, which provides 165,000 cubic metres of drinking water per day, including the construction of 60 reservoirs. Its affiliate companies are Foundation Engineering Nig. Ltd. and Dolphin Properties Ltd. Its financial year-end is 31st March. Mr. Philip Wharton is its Managing Director/CEO.

Investment Basis

Costain is recently doing a very good job by improving on its financials. The last financial year-end result released few days ago is an evidence of this. The company's turnover increased by 172.7% from N1.1 billion in 2005 to N3.0 billion in 2006. A five-year analysis shows an average increase of 15.92% in turnover. Contrary to the loss of N1.5 million made in 2005, PAT in 2006 increased to N0.11 million. This shows an increase of 107.2%. Considering different building projects going on in both the private and public sectors of the country, it is expected that Costain will be able to generate more profit in the months ahead. Total asset of the company is about N146 million. Its market capitalization is over N2 billion. EPS is N0.67 while its PER currently stands at N26.29.

Future Outlook

Costain is on a rebound after a major re-organisation and acquisition of 45% equity by Shoreline Power Limited, a foreign investor. The share price of the company has increased by 1,115%, from N1.46 on the 4th of January this year, to N17.74 as at September 6. And as earlier mentioned, the company's PAT for the current financial year is expected to increase due to different construction works embarked upon by the government at all levels from which the company will benefit. This will bring the share price up to the target price of N27 by the time the full result for the current financial year would be out next year. It is good for both short term and long term investment. ■

Report on Insurance Recapitalisation Out This Week



Dr Shamsuddeen Usman
Minister of Finance

Barring any last minute change in plans, the much-awaited report on insurance recapitalisation may be out this week. The Technical Committee set up by the Federal Ministry of Finance to review claims of insurance companies in the recapitalisation exercise finally submitted its report to the Minister of Finance last Wednesday. The Minister is billed to present it to the public before the end of the week after due consideration.

Sources close to the Ministry of Finance revealed that the number of operators has been reduced to fifty (50) companies from seventy-one (71) earlier certified during the exercise conducted by the former Commissioner for Insurance and boss of the National Insurance Commission (NAICOM), Mr. Emmanuel Chukwulozie, while two (2) may be liquidated. The Government dubbed the Chukwulozie's exercise as untidy dumped it and even fired the NAICOM boss on account of this and other alleged improprieties.

The reduction in the number of operators is predicated on the collapse of general insurance and life companies to form composite companies while those operating as specialist life insurers before the recapitalisation exercise were allowed to continue.

The final release of the report will enable the insurance companies have access to the recapitalisation funds locked up in the vault of the Central Bank of Nigeria (CBN). Stakeholders in the industry has been calling for the release of the funds claiming that the delay in its release is affecting them as the funds are meant for investments so that dividends can be paid on them.

Mr. Fola Daniel, the new Commissioner for Insurance, had earlier promised that once the report of the technical committee appointed by government is submitted, the National Insurance Commission (NAICOM), will set in motion the process for the companies to get their money.

Meanwhile, the Minister of State for Finance, Mr. Aderemi Babalola has asked operators in the insurance industry to brace up for more changes as other policies meant to grow the industry are in the offing. ■

Money Market Highlights

- The 7-day NIBOR closed Friday's trading session at 6.83% from 6.72%% at the end of the previous week, while 30-day and 90-day NIBOR closed at 12.75% from 12.5% and 13.38% from 13.04% respectively over the same period.
- The 91-day and 182-day Treasury Bill coupon rate closed the week at 6.00% and 6.20% respectively, while the 364-day Treasury Bill coupon rate closed the week at 7.30%. The OMO rate closed Friday's the trading session at 6.49%.
- The CBN offered \$50 million each both at Auction No. 65 held on 03/09/07 and Auction No. 66 held on 05/09/07 during the week with the sums of \$46.5m and \$61.8m sold respectively bringing total sales for the week to \$108.3m. 16 banks participated at the auction market on 03/09/07 while 15 banks participated at the 05/09/07 auction market. Total sales for the week went down by 67.50% when compared with \$333.25 million sold in the previous week.
- In the foreign exchange market, the Naira gained 14 kobo to close the week at N124.81 to US\$1 from the rate of N124.95 to US\$1 of the preceding week.
- In the parallel segment of the market, the Naira appreciated by 60 kobo to close at N128.90/US\$1 from N129.50/US\$1 at the end of the previous week.
- Similarly, in the inter bank market, the value of the Naira appreciated by 18 kobo to close the week at N126.20/US\$1 from N126.38/US\$1 in the preceding week. ■

Money Market Review

LENDING RATES		DEPOSIT RATES	
Bank	Rate	Bank	Rate
Zenith	19%	Zenith	10%
Diamond	18%	Diamond	13%
Ecobank	18%	Ecobank	12.5%
Fidelity	18%	Fidelity	12%
Spring	17%	Spring	12%

Source: Banking Halls of Banks Indicated

PARALLEL MARKET			
As @ 07/09/07			
CURRENCY		Selling	Buying
	£	262.00	261.00
LAGOS	\$	128.20	127.70
	£	261.50	260.00
IKEJA	\$	128.00	127.00
	£	262.50	261.00
AIRPORT	\$	128.50	127.50

Source: 'This Day' Newspaper

CROSS RATES (as @ 05/09/07)			
Name of Currency	BUYING	CENTRAL	SELLING
US Dollar	123.81	124.31	124.81
Pound Sterling	248.8829	249.888	250.8931
Euro	168.2949	168.9746	169.66541
Swiss France	102.1535	102.566	102.9785
Japanese Yen	1.0702	1.0745	1.0788

Source: CBN

FOREX ANALYSIS (as @ 05/09/07)	
Amount Sold at DAS	\$44.495m
Amount Sold at BDC	\$2m
Total Forex Sale	\$46.495m
No. of Banks	15

Source: CBN

KEY ECONOMIC INDICATORS	%
Inflation Rate (July)	4.80
Inflation Rate (12 Mths Ave) July	6.00
Foreign Reserves (USb) July	42.90
GDP Growth Rate (2006)	5.63
MPR	8.00

Source: National Bureau of Statistics

Corporate News

Intercontinental Bank Gets New Ratings

Fitch Rating, the globally acclaimed rating agency, has upgraded Intercontinental Bank's National Long-term rating to 'A+' from 'A' while affirming its National Short-term rating at 'F1'. The agency similarly assigned the bank, a Long-term Foreign Currency Issuer Default Rating, (IDR) 'B+' with a stable outlook, Short-term Foreign Currency, (IDR) 'B', Individual 'D' and Support '4' as well as a Support Rating Floor of 'B+'. This rating was necessitated considering the bank's performance in earnings, growth and capitalisation.

The global rating, the best that any Nigerian bank has been assigned by Fitch, shows that there is global confidence in the bank. It is a vote of confidence in both the domestic and international investment potentials of the bank, which will engender strong growth in patronage from both the private and public sector of the local and international economy. The rating, according to analysts, is an affirmation of the bank's leading position in Nigeria, Africa and the World. ■

National Economic Council (NEC) Inaugurated

In a bid to transform the nation's economy, President Umaru Yar'Adua on Wednesday, September 5, 2007 inaugurated the National Economic Council, which is being headed by the Vice President Goodluck Jonathan with all the 36 state Governors as members. The Council is saddled with the responsibility of advising the President on economic matters. President Yar'Adua charged the council to target the creation of jobs, reduction of inflation, sustaining and even improving on the existing interest rate, a stable Naira in the international market and also to create enabling environment for a robust and vibrant organized private sector (OPS).

President Yar'Adua further said "we will not equivocate in our resolve to maintain micro-economic stability and create the requisite platform for the rapid regeneration of our economy. We have identified the development of human infrastructure and the challenges of developing our country's physical infrastructure as two critical elements in growing the economy. These challenges we must face squarely up to".

The President expressed that his administration's seven point agenda is covered in part two of the National Economic Empowerment Development Strategy (NEEDS-2) document and charged the Council to work assiduously towards fashioning out a practical road map for our nation's economic regeneration "as we

strive to become one of the world's 20 largest economies in the next thirteen years".

Vice President Goodluck Jonathan in his response emphasised the need for the State Governments to be actively involved in the country's economic process so that States could develop ties that could lead to regional economic programmes. The committee has since started work. ■

Yar'adua Receives a Nod from the World Bank

The World Bank has given a pass mark to the economic policies of the Nigerian government so far and declared its readiness to assist Nigeria in the effective reform of the oil and energy sector. The Acting Country Director of the Bank in Nigeria Mr. Volker Treichiel made this known in Abuja as President Umaru Musa Yar'adua gave account of his stewardship of 100 days in office. Other policies applauded include observance of due process, suspension of import waivers, and review of the railway project. The World Bank Chief Breton Wood however observed that more work needs to be done in bridging the poverty gap amongst Nigerians. Already, World Bank Group has committed a record of \$5.7billion in International Development Association (IDA) resources to sub Saharan Africa in the last fiscal year. This translates to \$1billion more than the figure in the previous year. ■

NICON Insurance To Pay N2 Billion Pension Claims to 58 Institutions This Week

In line with his promise to pay a mind-boggling sum of N6 billion to pensioners under the Unified Scheme with NICON Insurance, the GMD of NICON Group, Barrister Jimoh Ibrahim will on Tuesday, September 11, 2007 in Abuja disburse about N2 billion to 58 different institutions across the country.

A publication inside the 'Daily Trust' of Thursday, September 6, 2007 listed the institutions to include the Trustees of Nigeria Railway Corporation, National Examination Council, all Federal Polytechnics and Colleges of Education, amidst others.

Barrister Jimoh Ibrahim commenced the N6 billion payment two weeks ago with the payment of N147.934 million to the pensioners of News Agency of Nigeria (NAN) in a brief ceremony. Mrs. Oluremi Oyo, the Managing Director of NAN represented her company at the ceremony. Another N250 million payment has since been made to the trustees of Nigeria Railway Corporation.

NICON Insurance inherited total pension liabilities of N13 billion from the former management out of which N5 billion has been

paid before now. With the on-going payment of N6 billion, the NICON GMD promised that the balance would hopefully be paid before the end of the year as according to him it is his desire to bring succour to pensioners and hope that other insurance companies in the country would follow suit. ■

Investment Article

All About Dividends

-By Omotoye Oyeniran



In the 1980's, dividends were the primary reason investors purchased stock. It was literally said that, "the purpose of investing in a company was basically for dividend payment". Today, the investor's view is a bit more refined; it could be stated, instead, as, "the purpose of investing in a company is to increase personal wealth." Indeed, today's investor looks to dividends and capital gains as a source of increase. What are the things one needs to know about dividends in order to make authentic and profitable investment decisions?

Dividends Defined

Dividends are payments made by a company to its shareholders. When a company earns a profit, that money can be put to two uses: it can either be re-invested in the business (called retained earnings), or it can be paid to the shareholders of the company as a dividend. Paying dividends is not an expense; rather, it is the division of an asset among shareholders. Many companies retain a portion of their earnings and pay the remainder as a dividend. Publicly-traded companies usually pay dividends on a fixed schedule, but may declare a dividend at any time, sometimes called a special dividend to distinguish it from a regular one.

Dividends are usually settled on a cash basis, as a payment from the company to the shareholder. They can also take the form of shares in the company (either newly-created shares or existing shares bought in the market), and many companies offer dividend reinvestment plans, which automatically use the cash dividend to purchase additional shares for the shareholder.

Types of Dividends

Dividends are of two types: fixed and variable. Dividends that pay a fixed rate to owners of preferred stock is called fixed dividend, while variable dividends are paid to common stock holders.

Forms of Dividend Payment

Cash Dividends

Cash dividends (most common) are those paid out in form of cheques called warrants. Such dividends are a form of investment income and are usually taxable to the recipient in the year they are paid. This is the most common method of sharing corporate profits with the shareholders of the company.

Stock or Scrip Dividends

Stock or scrip dividends are those paid out in form of additional stock shares of the issuing company. They are usually issued in proportion to shares owned (e.g., for every 100 shares of stock owned, 5% stock dividend will yield 5 extra shares). This is very similar to a stock split in that it increases the total number of shares while lowering the price of each share and does not change the market capitalization or the total value of the shares held.

Property Dividends

Property dividends are those paid out in form of assets from the issuing company. They are relatively rare and most frequently are securities of other companies owned by the issuer, however they can take other forms, e.g. products or services provided by the corporation.

Special One-time Dividend

In addition to regular dividends, there are times a company may pay a special one-time dividend. These are rare and can take the form of cash, stock or property dividends. These payments are not a payout of the company's profits but instead a return of money shareholders have invested in the business.

The Dividend Process

Dividends must be declared or approved by a company's Board of Directors each time they are paid. There are four important dates to remember regarding dividends.

The Declaration Date

This is the date the board sets the dividend and announces when the shareholders will get their checks or warrants. The board also announces the Ex-Dividend Date, which is a very important date to know.

Record Date

This is the date when the company sets the list of shareholders to receive the dividend. You must own the stock before this date to get the dividend. If for example you purchase the shares of **FCMB that recently declared a dividend payment of 35k** after the ex-dividend date, you would not receive its upcoming dividend payment; the investor from whom you purchased your shares would.

Ex-Dividend Date

This date usually falls 2 – 4 days before the Record Date. This date allows for the completion of all pending transactions, since it usually takes three days to settle a regular stock sale. The Ex-Dividend Date is the most important date as far as owning the stock if you want to receive the dividend. **On the Ex-Dividend Date, the market discounts stock's price since the dividend is no longer available to buyers.**

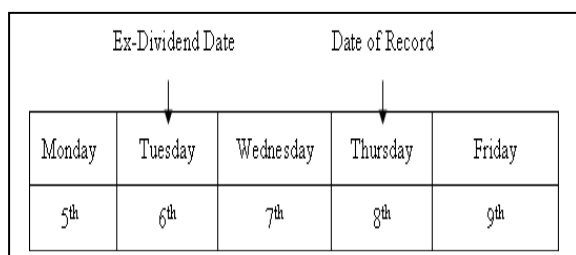
Payment Date

This is the date the company mails the dividend warrants, often two weeks or so after the record date.

Why All These Dates?

Ex-dividend dates are used to make sure dividend checks or warrants go to the right people. In today's market, settlement of stocks is a T+3 process, which means that when you buy a stock, it takes three days from the transaction date (T) for the change to be entered into the company's record books.

As mentioned, if you are not in the company's record books on the date of record, you won't receive the dividend payment. To ensure that you are in the record books, you need to buy the stock at least three days before the date of record, which also happens to be the day before the ex-dividend date.



As you can see by the diagram above, if you buy on the ex-dividend date (Tuesday), which is only two days before the date of record, you will not receive the dividend because your name will not appear in the company's record books until Friday. If you want

to buy the stock and receive the dividend, you need to buy it on Monday. (When the stock is trading with the dividend the term cum dividend is used). But, if you want to sell the stock and still receive the dividend, you need to sell on or after Tuesday the 6th.

A Practical Example of Stock Dividends:

Nicon Investment Plc has 2 million shares of common stock with five investors who each own 400,000 shares. The stock currently trades at N100 per share, giving the business a market capitalization of N200 million.

Management decides to issue a 10% stock dividend.

It prints up an additional 200,000 shares of common stock (10% of 2 million) and sends these to the shareholders based on their current ownership. All of the investors own 400,000, or 1/5 of the company, so they each receive 40,000 of the new shares (1/5 of the 200,000 new shares issued). Now, Nicon Investment Plc has 2.2 million shares outstanding; each investor owns 240,000 shares of common stock. The 10% dilution in value of each share, however, results in the stock price falling to N90.90. Here's the important part: the company (and investors) are still in the exact same position. Instead of owning 400,000 shares at N100, they now own 440,000 shares at N90.90. Nicon Investment Plc market capitalization is still N200 million.

Dividend Policy

Once a company makes a profit, they must decide on what to do with those profits. They could continue to retain the profits within the company, or they could pay out the profits to the owners of the firm in the form of dividends. Once the company decides on whether to pay dividends, they may establish a somewhat permanent dividend policy, which may in turn impact on investors and perceptions of the company in the capital markets. What they decide depends on the situation of the company now and in the future. It also depends on the preferences of investors and potential investors.

Dividend Payout Ratio

The percentage of net income that is paid out in the form of dividend is known as the dividend payout ratio. This ratio is important in projecting the growth of company because its inverse, the retention ratio (the amount not paid out to shareholders in the form of dividends), can help project a company's growth.

Calculating Dividend Payout Ratio

Zenith Bank 2007 cash flow statement shows that the Bank paid N6.6 billion in dividends to shareholders. The income statement for the same year shows the business had reported a net income of

N18.6 billion. To calculate the dividend payout ratio, the investor would do the following:

$$\frac{\text{N6, 600,000,000 dividends paid}}{\text{----- (divided by) -----}} \\ \text{N18, 600,000,000 reported net income}$$

The answer, 35.4%, tells the investor that Zenith Bank paid more than 1/3rd of its profit to shareholders.

Dividend Yield

The dividend yield tells the investor how much he is earning on a common stock from the dividend alone based on the current market price. Dividend yield is calculated by dividing the actual or indicated annual dividend by the current price per share. Zenith Bank recently paid N1.00k dividend and trades at N41.33k per share; Diamond Bank paid N0.55k and currently trades at N18.30k per share. By calculating dividend yield, the investor can compare the amount he would earn in cash income annually from each security.

Zenith Bank Dividend Yield Calculation
N1.00k ----(divided by)---- N41.33k
= 0.024 or 2.4%

Diamond Bank Dividend Yield Calculation
N0.55k ----(divided by)---- N18.30k
= 0.030 or 3.0%

In other words, despite the fact that Zenith Bank paid a higher per-share dividend of N1.00K, N1, 000,000 invested in its common stock would yield only N24, 000 in annual income as opposed to the same amount invested in Diamond Bank, which would yield N30, 000. An investor interested in dividend income and not capital gains should opt for the latter, barring unforeseen circumstances.

Dividends related to cash flow - not reported earnings

This brings up an important point: dividends are dependent upon cash flow, not reported earnings. Almost any Board of Directors would still declare and pay a dividend if cash flow was strong but the company reported a net loss. The reason is simple: investors that prefer high dividend stocks look for stability. A company that lowers its dividend is probably going to experience a decline in stock price as jittery investors take their money elsewhere. Companies will not raise the dividend rate because of one successful year; so afraid are they of lowering the dividend they will wait till the business is capable of generating the cash to maintain the higher dividend payment forever. Likewise, they will not lower the dividend if they think the company is facing a temporary problem.

Dividend Payment Restrictions

Many companies are not able to pay dividends because bank loans, lines of credit or other debt financing places strict limitations on the payment of common stock dividends. This type of covenant restriction is disclosed in a company's 10K filing with the SEC.

When Should Companies Pay Dividends?

In the days of falling stock prices, Board of Directors will often begin to pay dividends to help stabilize the company's stock. Many investors consider these dividends as a sign of safety and financial conservatism (which they are in many cases). Dividends in and of themselves, however, do not necessarily make the company a better investment. Companies that earn high returns on equity, have little or no debt, and large room to expand in their current industry would best serve their shareholders by paying no dividends. Instead, they should opt to reinvest all of the company's available resources into growing the value of the underlying business. The shareholders will be rewarded through appreciation in the stock price. In other words, a company should only pay dividends if it is unable to reinvest its cash at a higher rate than the shareholders (owners) of the business would be able to if the money were in their hands. If a company is earning 25% on equity with no debt, management should retain all of the earnings because the average investor probably won't find another company or investment that is yielding that kind of return.

Electronic Dividend Payments (E-dividend)

Some companies offer the option of having your dividends electronically deposited to your bank account. This ensures you receive your dividend payment on a specific date, eliminates the need to negotiate a cheque and delays in mail delivery.

Conclusion

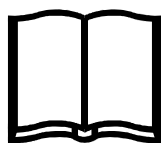
An investor desiring to put together a portfolio that generates high dividend income should place great scrutiny on a company's dividend payment history. Only those companies with a continuous record of steadily increasing dividends over the past five years or longer should be considered for inclusion. Furthermore, always keep in mind that when you're investing in a dividend paying stock, it's more crucial to consider the quality of the company rather than the date on which you buy in because you can't make free profits on the ex-dividend date. ■

Omotoye Oyeniran is an Investment Officer with NICON Investment Limited.

Investment Education Column

Securities Market

- By Bright Obiazi



Issuing and Selling New Securities

The **primary market** in the financial system is the mechanism for issuing and trading in newly issued securities for the first time. It is also known as the new issues market. Thus, brand new securities are issued and sold to investors in the primary or new issues market. Securities issued and traded by a firm for the very first time are known as **initial public offerings**, while securities issued by firms with existing securities in the market are known as seasoned new issues. When new securities are issued and sold to the general investing public, investment banking services are required. Investment banking is the specialized financial service of intermediating between issuers of securities (deficit unit) and the investing public (surplus unit). The financial intermediaries bring together the deficit and surplus units otherwise referred to as the act of financial intermediation. Financial institutions which provide these services are known as investment bankers or **issuing houses**.

Investment bankers assist firms to design securities with features that are most attractive to investors, price and **underwrite** the securities and sell them to the public. They are intermediaries in the process of transferring capital from savers to business firms. In addition to investment banking services to facilitate trading in securities in the secondary market.

Investment banking firms or issuing houses have the specialized knowledge, the contacts and the sales organization, which enable them to efficiently market securities to investors. They are also experts in the distribution of securities. Issuing house or investment banking services are provided in Nigeria by the corporate finance department of merchant banks, stock broking firms and finance companies registered for the purpose by the Securities and Exchange Commission (SEC). The selection of an investment banker for an issue could be either on **competitive bidding or negotiated offering** basis. Under competitive bidding the issuing firm invites bids from investment bankers and selects the one offering the best overall terms. With a negotiated offering, the issuing firm selects an investment banking firm, works with it and negotiate the terms of the issue, including the price of the securities.

The key consideration in deciding whether to use competitive bidding or negotiated offering, is the **net price paid to the issuing firm**. Advocates of competitive bidding argue that the competition among investment bankers, result in a higher price to the issuing firm and a lower underwriting commission. However, advocates of negotiated offering argue that it allows the investment banker more time to locate investors and sell the securities, which results in a more favourable price, particularly when there is falling security prices and in case of very large issues.

For their services investment bankers earn fees, which is the spread between the amount raised in an issue and the amount paid to the issuing firm. The spread is the total amount raised in an issue less issuing house and other commissions.

Functions of Issuing Houses

The various functions carried out by investment bankers in the issuing and settling of new securities include the following:

Financial advisory services: Investment bankers serve in an advisory capacity on their first contact with firms, which have decided to issue new securities. They assist firms to consider whether or not to issue securities by analyzing their financing needs and they make suggestions about the various forms of financing.

Investment bankers are expert on the terms and characteristics of securities that appeal to investors. They recommend whether the issue should be sold by **direct placement or public offering**. In addition, investment bankers advice firms on a wide variety of issues pertinent to the success of the offering, such as timing of the issue, its pricing, the features to assure successful sale, the best package of terms e.t.c. For companies that do not make frequent trips to the capital market, this advice could be very valuable. Occasionally following a securities issue, the investment banker may be given a seat on the Board of Directors to provide continuous financial counseling in order to increase the firms profitability and protect the reputation of the issuing house as a sponsor of good quality securities. The issuing house also functions as advisers in mergers and acquisitions, lease structuring refinancing operations, e.t.c.

Administration of Issues

Investment bankers ensure that documentations, investigation, liaising with relevant regulatory and professional organizations e.t.c involved in securities issues are carried out. This is done in accordance with the relevant laws.

Underwriting

Underwriting is an arrangement whereby the issuing house undertakes to pay the issuing firm at a predetermined date, an amount based on the price of the securities with a view to re-selling the securities, and not as a form of investment. The investment banker's compensation for underwriting is the underwriting commission, which is stated with other terms of the arrangement in the underwriting agreement. Underwriting is a term used in insurance to describe the assuming of risk, and in investment banking it refers to bearing the risk of adverse market conditions during the period in which a new issue is being marketed. During the period there is a risk that the issue may succeed or fail. The investment banker bears the risk and insures or underwrites the issue by paying the issuing firm before selling the securities to investors. If the issue fails either due to adverse market conditions or because it is overpriced, the underwriter takes the loss.

Sometimes two or more investment banking firm combine to form an underwriting syndicate. The lead investment banker manages the issue and coordinates the syndicate and the selling group. The main purpose of forming a syndicate is to spread the risk associates with the price, lessen the risk of loss and create a larger overall selling organization, especially in large issues. The lead investment banker has the largest participation in underwriting the issue. The participation of other underwriters is determined primarily on the basis of their ability to sell the securities. Total commission less the fees to the lead manager is distributed to members of the syndicate on the basis of their percentage participation.

There are three types of underwriting agreements. When the issue of securities is completely underwritten the investment banker makes a firm commitment and bear all the risk. Instead of underwriting an issue, an investment banker may sell the securities on a best effort basis. Under the agreement, the investment banker agrees only to sell as many securities as possible at the price established. The investment banker does not take responsibility for unsold securities. Under a standby agreement the underwriter may agree to purchase at a fixed price all securities not sold to investors. This occurs mostly in right issues, when securities are issued and sold only to existing shareholders. After an issue, an underwriter may make a market for the securities by maintaining a position and standing ready to buy and sell them at bid and ask prices he quotes. This support is important in initial public offering of ordinary shares, since the securities have greater liquidity to investors in the secondary market.

Pricing the issue

The investment banker determines the price of the securities to be issued. In a negotiated offering this is determined in conjunction with the issuing firm. The investment banker would like a price low enough to assure a successful sale. However if the price is too low the issuing firm will be dissatisfied and the investment banker cannot afford this. As a rule when the price is right, market conditions are good and the issuer and underwriter are reputable, the issue may be successful. When one or more of these conditions is lacking, the issue may not succeed and may result in losses to the underwriter.

In ordinary share issues, the principal factor which influences the price issue is the market price of existing shares. If the firm has outstanding shares, the new issue will be priced lower than the market price for it to sell. The pricing problem is much more difficult for firms issuing shares to the public for the first time. However a comparison with similar firms may be made to determine the appropriate price/earnings ratio. In bond issues, factors considered in pricing are prevailing interest rates in the money and capital markets, the future prospects of the economy, expected monetary and fiscal policies etc

Selling and Distributing the Securities

Another major function of the investment banker is to market new issues of securities to investors. Investment bankers have permanent trained staff and dealer organization available to sell and distribute securities. In addition, their reputation for selecting good firms and pricing securities enable them to build up clientele overtime. When an underwriting syndicate is involved in the marketing of an issue, each of the underwriters uses its own selling group for distribution to investors. The selling group consists of other investment bankers, dealers and brokers. Therefore a lead underwriter in one issue of securities, which manages a syndicate, could participate as a broker in the selling group of another issue. Members of the selling group earn commission for securities sold.

During the period of distributing securities in an issue the manager of the underwriting syndicate could embark on a price-pegging operation, to stabilize the price of the issue. This is done by placing orders to buy the securities at a specified price in the secondary market. This prevents downward movement of the price, which could result in losses to the underwriting syndicate or increase underwriting cost to the issuing firm. ■

Mr. Bright Obiazi is a Business Development Manager with Nikon Investment Limited.

Investment Jokes

- ❑ The owner of a large factory decided to make a surprise visit and check up on his staff. Walking through the plant, he noticed a young man leaning lazily against a post. "Just how much are you being paid a week?" said the owner angrily.
"Thirty thousand Naira," replied the young man.
Taking out a fold of bills from his wallet, the owner counted out 30 pieces of N1000 notes, slapped the money into the boy's hands, and said "Here's a week's pay -- now get out and don't come back!"
Turning to one of the supervisors, he said "How long has that lazy bum been working here anyway?"
"He doesn't work here," said the supervisor. "He was just here to deliver a letter!"
- ❑ An economist is someone who doesn't know what he's talking about - and makes you feel it's your fault.
- ❑ A businessman walked into an Abuja city bank and asked for the loan officer. He said he was going to Europe on business for two weeks and needed to borrow N50, 000. The loan officer said the bank would need some security for such a loan. The businessman then handed over the keys to a Rolls Royce that was parked on the street in front of the bank. Everything checked out and the loan officer accepted the car as collateral for the loan. An employee then drove the Rolls into the bank's underground garage and parked it there.
A month later the businessman returned, repaid the N50,000 and the interest, which came to N50,710. The loan officer said, "We do appreciate your business and this transaction has worked out very nicely, but we are a bit puzzled. While you were away we checked and found that you are a multimillionaire. What puzzles us is why you would bother to borrow N50, 000?"
The businessman replied: "Where else in this Abuja City can I park my car for a whole month for N700?"
- ❑ At a country club party a young stockbroker was introduced to an attractive girl. Immediately he began paying her court and flattering her outrageously. The girl liked the young man, but his fast and ardent pitch took her aback. She was amazed after 30 minutes he seriously proposed marriage. "Look", she said. "We only met a half hour ago. How can you be so sure? We know nothing about each other." "You're wrong", the young

stockbroker declared. "For the past 5 years I've been working in the brokerage firm where your father has his account".

- ❑ Commission is the only reliable way to make money on the stock market, which is why your broker charges you one. ■

Source: www.jokes.net

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