



Analysts: Kingsley Adjenku-Hayford and Sammy Amanor

Global Equities Summary

The Nigerian Stock Exchange, one of last year's worst-performing stock markets, is rebounding on renewed investor optimism. The nation's benchmark All-Share Index has rallied 10 percent in 2010 after tumbling 34 percent last year, the biggest drop among benchmark indexes in the 70 largest equity markets. The gauge is valued at 4.6 times earnings estimates. Nigerian equities are recovering from two years of losses spurred by a collapse in oil prices during the global recession and a banking crisis sparked by bad loans to stock speculators. Toxic assets at banks may have reached as much as \$10 billion. Investors are paying the equivalent of \$4.60 for every dollar Nigerian companies will earn this year. That compares with \$8.40 in Pakistan, \$8.50 in Greece and \$13.80 in the U.S.

The MSCI Asia Pacific Index fell for the first time in a week on concern Japan's deflation will persist even after the economy expanded more than forecast in the fourth quarter.

In Europe, all but three of the 19 industry groups on the Stoxx 600 advanced, extending the benchmark gauge's first weekly gain in a month. Renault SA rose 4.4 percent in Paris after Morgan Stanley advised buying the shares. Air Liquide SA, the world's biggest producer of industrial gases, climbed 1.8 percent after reporting earnings that beat analysts' estimates. British Airways Plc and Iberia Lineas Aereas de Espana SA rose more than 3 percent after winning U.S. approval for an expanded alliance with AMR Corp.'s American Airlines. Fifty-six percent of companies in the Stoxx 600 that have reported earnings since Jan. 11 have beaten analysts' estimates for net income, according to market data. More than 350 companies in the S&P 500 have posted quarterly earnings in the same period, with companies beating estimates by an average of 12 percent, the data show.

Global Benchmark Indexes			
Region	open	Close	% Change
North/Latin America	9/2/2010	16/02/2010	
S&P 500 Index	1,056.74	1,075.51	-1.75%
DOW JONES INDUS. AVG	9,908.39	10,099.14	-1.89%
Europe/Africa/Middle East			

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DJ EURO STOXX 50	2,644.86	2,710.47	-2.42%
FTSE ALL-SHARE INDEX	2,609.01	2,674.77	-2.46%
FTSE NASDAQ DUB UAE 20	1,744.30	1,660.39	5.05%
CAC ALL SHARES INDEX	3,799.71	3,806.89	-0.19%
FTSE/JSE AFRICA ALL SHR	26,191.13	26,903.04	-2.65%
Asia/Pacific			
S&P/ASX 200 INDEX	4,505.10	4,567.80	-1.37%
NIKKEI 225	9,932.90	10,034.25	-1.01%

Global Fixed Income Summary

Companies are pulling bond sales at the fastest pace since the credit markets seized up 2 1/2 years ago on concern that the inability of European governments to trim their budget deficits will threaten a global recovery.

The extra yield investors demand to hold high-risk company bonds rather than the safest government debt has jumped almost 1 percentage point since Jan. 11, the biggest increase since March, according to Bank of America Merrill Lynch's Global High-Yield Index. European finance ministers are meeting in Brussels amid mounting pressure to explain what steps they'll take to help Greece reduce its swelling fiscal shortfall.

Spreads on high-yield, or junk, bonds soared 95 basis points since Jan. 11 to 713 yesterday, while the average extra yield on investment-grade debt widened 12 basis points to 171, or 1.71 percentage points, Merrill Lynch index data show. High-yield bonds are ranked below Baa3 by Moody's Investors Service and BBB- by Standard & Poor's.

Elsewhere in credit markets, the cost to protect against a default by emirate Dubai rose to the highest since March on concern that investors will recoup less than anticipated in a \$22 billion debt restructuring.

Credit-default swaps linked to the Mideast nation's debt surged 22.5 basis points to 650 yesterday, the highest since March 20, according to CMA DataVision. That means it costs \$650,000 a year to insure \$10 million of bonds for five years. Dubai and Dubai World, the state-owned company that owes the money, haven't made an offer to creditors on a plan to restructure the debt. That follows a report by Zaway Dow Jones on Feb. 14 that Dubai World may offer creditors 60 cents on the dollar after seven years to settle the debt.

Global Forex Summary

The Australian and Canadian dollars strengthened on speculation China's economic expansion may accelerate, boosting demand for commodities.

The Australian dollar, also known as the Aussie, rose against all 16 of its most-traded peers after Goldman Sachs Group Inc. and Bank of America-Merrill Lynch maintained their forecasts for Chinese growth even as officials cool lending to restrain price growth. The Australian dollar reached the highest this month against the greenback after the release of the central bank's meeting minutes, which said its decision to keep interest rates unchanged this month was "finely balanced" amid concern European sovereign risks may weaken the global recovery.

The Reserve Bank of Australia will increase its target rate by 1 percentage point this year, according to market watchers. RBA Governor Glenn Stevens was the first central banker in the world to raise borrowing costs three times last year, taking the cash rate target to 3.75 percent in December from 3 percent at the start of October. The currency will rise to 91 U.S. cents by the end of March.

The euro traded near a nine-month low against the dollar as European Union officials prepared to meet to discuss how to shore up Greece's finances. The currency's 14-day relative strength index, or RSI, stayed below 30 for a third day, a sign it may be poised to rebound after dropping too fast. The euro advanced against 12 of its 16 major counterparts.

Canada's dollar fell from almost a three-week high as China raised reserve requirements, discouraging demand for currencies related to economic growth.

The greenback fell against higher-yielding currencies as gains in stocks and commodities, as well as signs of improving corporate earnings, reduced demand for the safest assets. Benchmark interest rates are 3.75 percent in Australia and 2.5 percent in New Zealand, attracting investors to the South Pacific nations' higher-yielding assets. The risk in such trades is that currency market moves will erase profits.

The yen stabilized against the dollar on speculation Japanese investors are increasing repatriation of overseas earnings before an estimated \$48 billion of US treasury maturities.

Global Commodities Summary

Copper climbed in London as accelerating growth in Japan, the world's fourth-largest consumer of the metal, may support demand for metals. Japan's gross domestic product grew at an annual 4.6 percent pace in the fourth quarter, the Cabinet Office said in Tokyo. The price of copper more than doubled last year on forecasts for economic growth.

Copper for three-month delivery jumped \$70, or 1 percent, to \$6,880 a metric ton on the London Metal Exchange. Prices last week gained 8.4 percent, the most since July. Futures for delivery in March climbed 0.6 percent to \$3.101 a pound in electronic trading on the Comex division of the New York Mercantile Exchange.

Japan's third-quarter GDP was revised to zero from an annualized 1.3 percent growth. China, the U.S. and Germany are the largest copper buyers, according to estimates of the International Copper Study Group. Wheat futures declined in Paris as the outlook for rising global stocks weighed on prices.

Gold rose for a second day in London to the highest price in almost two weeks as a weaker dollar increased the metal's appeal as an alternative investment. The U.S. Dollar Index, a six-currency gauge of the greenback's value, slipped as much as 0.5 percent as gains in equities and improving corporate earnings reduced demand for the safest assets. Bullion for April delivery was 2.2 percent higher at \$1,114.30 on the New York Mercantile Exchange's Comex unit.

Australia, the world's fourth-largest wheat exporter, trimmed its forecast for the recently harvested wheat crop by 1.5 percent after a heat wave last year was followed by heavy rain in southeastern areas. Output may be 21.66 million metric tons in 2009-10, compared with a December estimate of 21.99 million tons, the Australian Bureau of Agricultural and Resource Economics noted. Production in the previous season was 20.9 million tons, the bureau reported.

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Fund Management * Corporate Finance * Stockbrokerage

Tel: 021- 767142

Email: Glicofin@gmail.com