

GLOBAL ECONOMIC HIGHLIGHTS

LOCAL ECONOMIC NEWS



MainOne Fibre Optic Cable Launched

History was made yesterday as MainOne Company Limited launched the commercial operation of its fibre optic cable technology which is expected to revolutionise Information Communication Technology (ICT). The technology which took off in Lagos yesterday, cost about \$240 million (N36 billion) and will provide international video conferencing with clear audio and visual quality irrespective of location. Chairman of the company, Mr. Fola Adeola, said the submarine cables were laid from Portugal to Lagos covering a distance of about 7,200 kilometres. Adeola, who is the former Managing Director and Chief Executive Officer of Guaranty Trust Bank Plc, added that the firm currently has a solid base in London, South Africa, Bangalore and Tenerife. The MainOne chairman acknowledged that a major difficulty was encountered in executing the project expected to catalyse a major change in Africa's information and communication, especially while laying the sub-sea cables. According to him, in some countries, the firm was required to sign papers and pay for right of way, while others required the company to sign an undertaking not to damage subsea cables already in place in the course of laying its own. Also speaking at the launch, MainOne Chief Executive Officer and Managing Director, Ms. Funke Okpeke, said the technology "will be transmitting at a speed of 4.92 terabytes about five terabytes. What has been made available is faster than the 40 gigabytes that is available in Europe."

<http://www.thisdayonline.com/nview.php?id=178895>

BUSINESSDAY

FCMB says expected \$170m facility from IFC not to acquire local bank

First City Monument Bank (FCMB) plc on Wednesday said it was optimistic that its current discussion with International Finance Corporation (IFC) for \$170 million facility will come to successful conclusion, but noted that the facility was not to enable the bank acquire any local bank. Jonathan Long, chairman, FCMB, said at the bank's 27th annual general meeting (AGM) in Lagos that the bank's discussion with IFC was confidential, adding that the resolution with shareholders was to get their approval to go ahead with the deal. According to him, the facility which comes in two tranches – \$60 million as equity and \$110 million as long term debt for 7 years – will improve the profitability of the bank locally and internationally. "There is no connection between IFC transaction and acquisition of any local bank. The 7 years maturity is very satisfactory," Long said. Also at the AGM, the bank got shareholders' nod in line with the Central Bank of Nigeria's (CBN) directive to change its auditors, PricewaterhouseCoopers, as well as change its financial year end from April 30 to December 31.

http://businessdayonline.com/index.php?option=com_content&view=article&id=12977:fcmb-says-expected-170m-facility-from-ifc-not-to-acquire-local-bank&catid=85:national&Itemid=340



Banks' total asset hits N16tn

The Bankers Committee on Wednesday approved the transfer of N1tn into a sinking fund within the next 10 years. This is to facilitate the commencement of the Asset Management Corporation of Nigeria. The Group Managing Director, Access Bank Plc, Mr. Aighoje Aig-Imokhuede, who briefed journalists after the meeting in Abuja, also said the total asset of the banking industry was between N14tn and N16tn as at December 31, 2009. He noted that the corporation would commence operations in January 2011. The AMCON, whose bill was signed into law on Monday by President Goodluck Jonathan, would help to boost confidence in Nigerian banks, improve the country's credit and risk ratings, restore confidence in the nation's capital market and prevent continued job losses in the banking industry. Other issues that were discussed at the meeting, according to him, included how to increase funding in the agricultural sector; the progress so far made in providing support for the power sector; the need to review the exposure draft for the commencement of the universal banking model, as well as the need to restore confidence to the banking sector, among others.

<http://www.punchng.com/Articl.aspx?theartic=Art201007222572187>

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Bloomberg.com

U.K.'s Second Quarter GDP Rebound May Be 'as Good as It Gets'

Just as Britain's economic recovery may have finally gained momentum, events at home and abroad risk slowing it in its tracks. Economists predict U.K. gross domestic product rose in the second quarter by the most since the nation exited its worst recession on record in 2009, according to the median forecast in a Bloomberg News survey. With the deepest public-spending cuts since World War II looming and the debt crisis hampering the euro region, some of them including Alan Clarke at BNP Paribas in London say the economy may be about to weaken. "The second quarter is going to be as good as it gets and then we're going to go into a soft patch," Clarke said in a telephone interview. "Europe doesn't help our export prospects and fiscal policy doesn't help domestic prospects. I don't think they'll hike rates until 2012." Bank of England officials said this month that Britain's growth prospects have "probably deteriorated," as they considered expanding emergency stimulus and blocked Andrew Sentance's bid to increase interest rates, minutes of their decision show. The government's own fiscal monitor says the budget squeeze has raised the chance of a return to recession. GDP probably rose 0.6 percent in the three months through June, twice the pace of the previous quarter, the median forecast of 32 economists in the Bloomberg survey shows. The data, the first for the second quarter from a Group of Seven nation, will be released by the Office for National Statistics at 9:30 a.m. tomorrow in London.

<http://noir.bloomberg.com/apps/news?pid=20601087&sid=a5houi7F6d9l&pos=5>

REUTERS

Motorola sues Huawei for trade secret theft

U.S. mobile phone maker Motorola Inc has sued China's Huawei Technologies Co HWT.UL for alleged theft of trade secrets, highlighting the fast-growing Chinese firm's difficulty in shaking the nation's reputation for piracy. In an initial suit, filed in 2008, Motorola sued five of its former workers for allegedly sharing trade secrets with Lemko, which was also named in the suit and has a reseller agreement with Huawei. In the amended complaint, filed on July 16 in a federal court in Chicago, Motorola claimed an engineer shared information about a Motorola transceiver and other technology with Huawei's founder, Ren Zhengfei, a former officer in China's People's Liberation Army. Motorola claimed a string of emails tagged "Motorola Confidential Proprietary" showed that "Huawei and its officers knew they were receiving stolen Motorola proprietary trade secrets and confidential information without Motorola's authorization and consent," according to the suit. Huawei said the lawsuit was groundless. "Huawei has no relationship with Lemko, other than a reseller agreement. Huawei will vigorously defend itself against baseless allegations," the company said in an emailed statement. Cases like these are hard to prove from an evidence point of view, said Connie Carnabuci, a technology, intellectual property expert and partner at Freshfields in Hong Kong.

<http://www.reuters.com/article/idUSTRE66L0J220100722>

IMF cancels Haiti's \$268m debts and agrees \$60m loan

The International Monetary Fund (IMF) has agreed to cancel Haiti's \$268m (£176m) debt and lend the impoverished Caribbean nation a further \$60m. The IMF said both decisions formed part of a strategy to support Haiti's reconstruction plans in the wake of the devastating earthquake six months ago. The disaster left some 230,000 people dead and more than a million homeless. The international community pledged \$9.9bn (£6.5bn) for the reconstruction effort at a conference in March. "Donors must start delivering on their promises to Haiti quickly so reconstruction can be accelerated, living standards quickly improved, and social tensions soothed," IMF Managing Director Dominique Strauss-Kahn said on Wednesday. The new three-year loan from the IMF is intended to boost Haiti's international reserves and help the central bank manage potential swings in the value of the local currency that could arise from large aid flows going into the country. It will be interest-free until the end of 2011. After that rates will remain low. The debt relief will be financed by the IMF's Post-Catastrophe Debt Relief Trust Fund, set up to help poor countries hit by natural disasters.

<http://www.bbc.co.uk/news/business-10720877>

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COMMODITY PRICES

Bloomberg.com

BENCHMARK CURRENCY RATES

	USD	EUR	JPY	GBP	CHF	CAD	AUD	HKD
HKD	7.776	9.9675	0.0898	11.8342	7.4541	7.4454	6.8545	
AUD	1.1344	1.4542	0.0131	1.7265	1.0875	1.0862		0.1459
CAD	1.0444	1.3388	0.0121	1.5895	1.0012		0.9206	0.1343
CHF	1.0432	1.3372	0.0121	1.5876		0.9988	0.9196	0.1342
GBP	0.6571	0.8423	0.0076		0.6299	0.6291	0.5792	0.0845
JPY	86.561	110.9574		131.7372	82.978	82.8811	76.3035	11.1319
EUR	0.7801		0.009	1.1873	0.7478	0.747	0.6877	0.1003
USD		1.2818	0.0116	1.5219	0.9586	0.9575	0.8815	0.1286

Currency Key

USD: U.S. Dollar	CHF: Swiss Franc	HKD: Hong Kong Dollar	CAD: Canadian Dollar
GBP: British Pound	EUR: Euro	JPY: Japanese Yen	AUD: Australian Dollar

ENERGY & OIL

COMMODITY	PRICE (\$)	CHANGE	%CHANGE
BRENT CRUDE FUTR	75.530	0.160	0.21
GAS OIL FUT (ICE)	643.750	0.750	0.12
GASOLINE RBOB FUT	207.510	0.730	0.35
HEATING OIL FUTR	199.660	0.740	0.37
NATURAL GAS FUTR	4.529	0.016	0.35
WTI CRUDE FUTURE	76.800	0.240	0.31

AGRICULTURAL COMMODITIES

COMMODITY	PRICE (\$)	CHANGE	%CHANGE
COCOA FUTURE - LI	2286.000	-33.000	-1.42
COFFEE 'C' FUTURE	158.700	1.400	0.89
CORN FUTURE	390.750	-2.750	-0.70
SUGAR (WORLD)	17.550	0.080	0.46
WHEAT FUTURE(CBT)	585.750	-2.500	-0.42

GLOBAL STOCK MARKET INDICES

EQUITY INDEX	VALUE	CHANGE	% CHANGE
FTSE 100	5,209.16	-5.48	-0.11%
DAX	5,987.28	-3.10	-0.05%
S&P 500 INDEX	1,069.59	-13.89	-1.28%
NIKKEI 225	9,220.88	-57.95	-0.62%
NASDAQ COMPOSITE	2,187.33	-35.16	-1.58%
SWISS MARKET INDEX	6,127.70	-4.96	-0.08%
DOW	10,120.53	-109.43	-1.07%

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