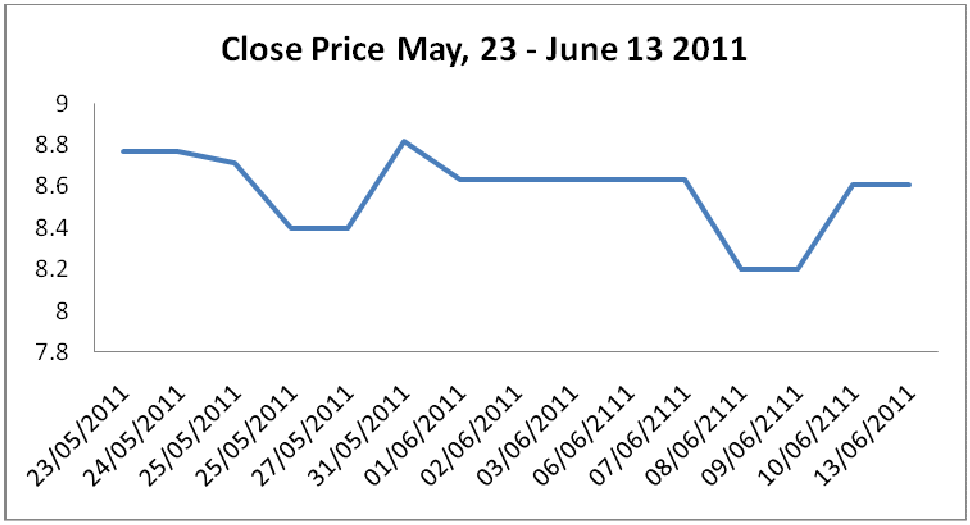
NAHCo Plc Outlook – Sustaining the bearish trend

June 13, 2011

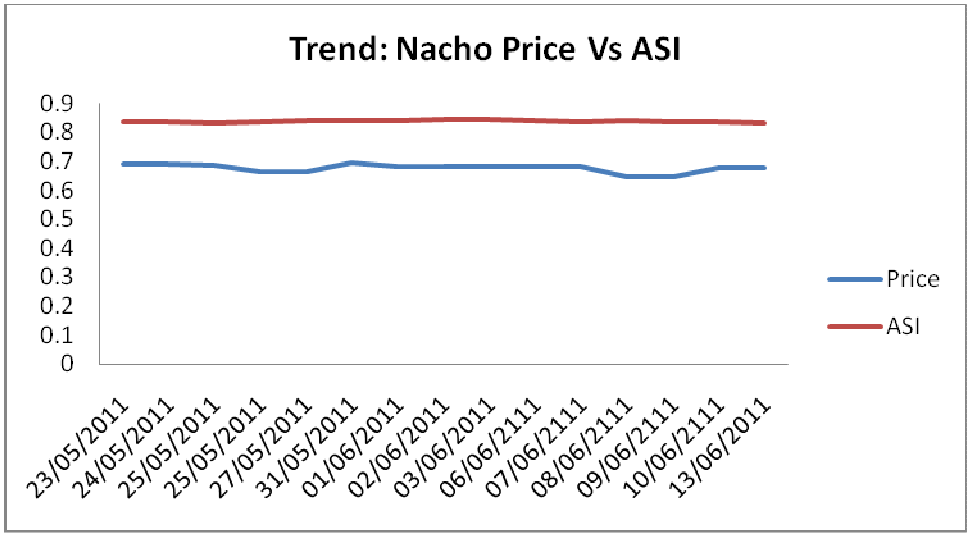
The Current Outlook: Sustaining the bearish trend

In the recent time, we observed that Nacho Plc sustained the bearish trend as observed in the previous report. Though, the trading sentiments appeared mixed while the stock experienced less swings and low activity within the period under review (May 23rd to June 13th 2011) as against high volatility revealed in the previous report.



More so, the stock's price ranged between N8.82 to N8.20 with 9 flat positions out of 15 sessions to close with aggregate loss of -1.82% as against -10% loss recorded 15days before this period-This technically indicates waning sell momentum.

More so, similar trend observed in the market during this period as All Share Index recorded -0.05% marginal loss- a better outlook when compared with Nacho's performance.

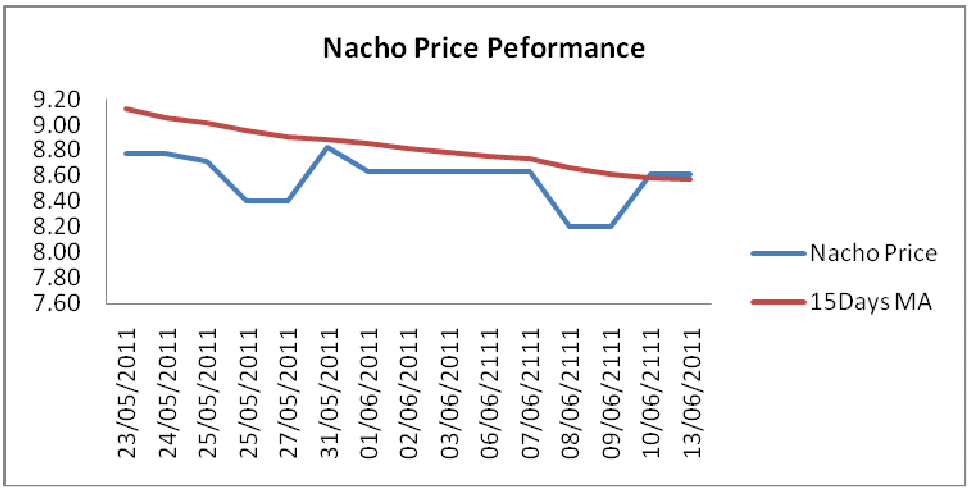


Performance at a Glance: featuring waning sell momentum and low activity

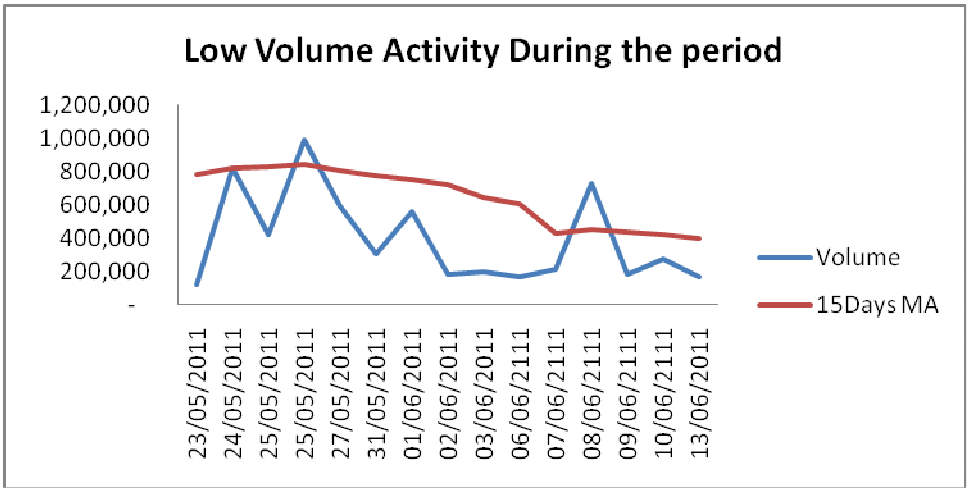
5.90million units recorded as volume traded during the recent period as against 11.79million units recorded 15days before the period under review-this further strengthened our view of waning sell momentum and low activity stated above as volume traded dropped by 50%.

Volume & Price Performance At A Glance					
Date	Volume	15days MA	Closed Price	%Gain	15days MA
23/05/2011	123,478	778,079	8.77	0.00%	9.12
24/05/2011	817,144	821,927	8.77	0.00%	9.06
25/05/2011	423,619	826,430	8.71	-0.68%	9.02
25/05/2011	988,040	840,048	8.40	-3.56%	8.96
27/05/2011	590,171	805,803	8.40	0.00%	8.91
31/05/2011	303,843	775,603	8.82	5.00%	8.88
01/06/2011	555,084	746,879	8.63	-2.15%	8.85
02/06/2011	179,256	720,100	8.63	0.00%	8.82
03/06/2011	196,508	643,227	8.63	0.00%	8.78
06/06/2111	164,111	603,771	8.63	0.00%	8.76
07/06/2111	212,174	430,519	8.63	0.00%	8.73
08/06/2111	724,794	451,482	8.20	-4.98%	8.67
09/06/2111	184,588	436,509	8.20	0.00%	8.61
10/06/2111	276,461	421,753	8.61	5.00%	8.59
13/06/2011	163,661	393,529	8.61	0.00%	8.58
Proshare					

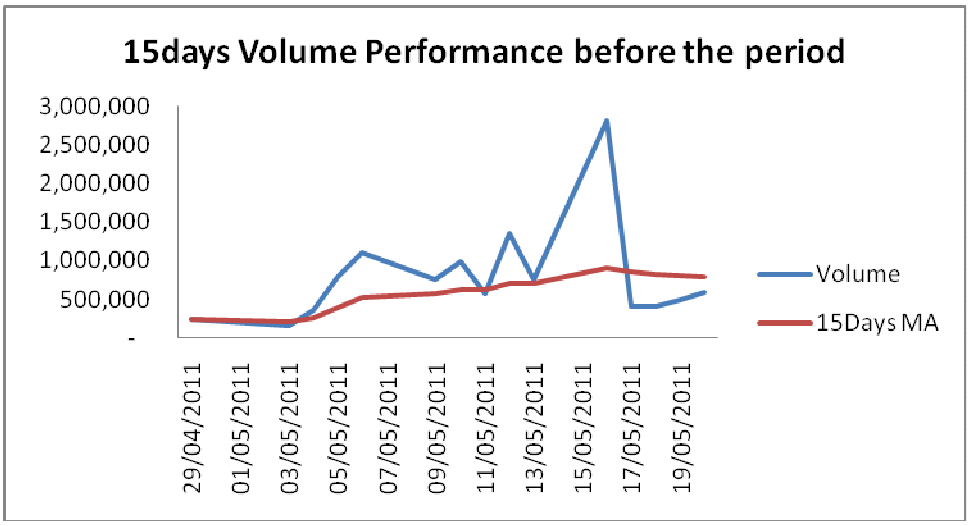
Nevertheless, further analysis revealed possible trend reversal any time soon as we begin to notice subtle buying as price gained by 5% to move above its 15days moving average with corresponding 50% volume growth-this was observed on June 10 2011.



The chart below showcased the low activity observed during the period under review as noted above. The volume traded stayed below its 15days moving averages most of the time, indicating drop in sell momentum



The 50% decline in volume traded during this period when compared with 15days before period under review buttressed the fall in sell momentum as the price dipped by -1.82% against -9.59% loss recorded 15days before the period under review while volume traded mostly above its 15days moving average considerably as shown below.



Timelines during the period reviewed

Date	Keys News	Media House/Source	NSE ASI	Daily Price
18-May-11	Notice of Annual General Meeting	NACHO	25,788.06	9.00
10-Jun-11	Nahco Aviance Proposes 65k Dividend	All Africa	25,696.46	8.61

*Reference: **https://www.proshareng.com/investors/company.php?ref=NAHCO***

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