Stanbic IBTC Pension Managers

MoneyBulletin

Weekly Money Bulletin

31 OCTOBER 2008

STANBIC IBTC WEEKLY MONEY BULLETIN

OUTLINE

- Key Developments
- Fixed Income & Capital Market Update
- Market Outlook for Next Week

KEY DEVELOPMENTS

- The Nigerian Stock Exchange is set to introduce 5 additional indices to the current ASI which started in 1985. The five indices expected include: NSE 30 Index, NSE Oil & Gas 5 (Petroleum marketing) Index, NSE Banking 10 Index, NSE Insurance 10 Index, and NSE Food Beverages & Tobacco 10 Index. The NSE 30 Index would comprise 30 stocks with a 40% maximum and 2% minimum sector weighting; the NSE Oil & Gas 5 would comprise 5 of the most capitalized and liquid companies in the petroleum marketing sector; the NSE Banking 10 Index would comprise the 10 most capitalized and liquid stocks in the banking sector; while the NSE Insurance 10 Index would consist the 10 most capitalized and liquid companies in the Insurance sector.

- The CBN has expanded its discount window operations to include non-federal government securities as acceptable collateral. The lists of instruments now acceptable are: Nigerian Treasury Bills, Nigerian Treasury Certificates, FGN Bonds, NDIC Accommodation Bills, State Government Bonds, Bankers Acceptances, Guaranteed Commercial Papers, Promissory Notes, and any other instrument that may be approved from time to time.

- The CBN has listed some criteria for direct access to the expanded discount window by banks and discount houses. The discount window is to be used on a last resort basis via repo instruments; the maximum allowable borrowing under a repo transaction in the discount window shall not exceed 70% of the face value of the instrument. Also, some necessary conditions for access are: statutory capital requirement, liquidity ratio, capital adequacy ratio, cash reserve ratio and good management. The institution must also not be overtrading, engaged in asset mismatch or undue rate arbitrage.

MONEY MARKET UPDATE

- ✓ The OBB rose to 9.75% from 9.50% of last week while the overnight rates also hiked to close the week at 15.50% from 13.75% last week.

- ✓ A net inflow of ₦91.84 million flowed into the system from Treasury Bills market against ₦86 million last week. From the FX market, a net outflow of ₦144.466 billion was witnessed against ₦102.55 billion last week.

- ✓ Stop rate at the 91-days Primary Auction dropped from 6.80% to 6.50% while that of the 182-days Primary Auction rose to 8.20% from 7.74%.

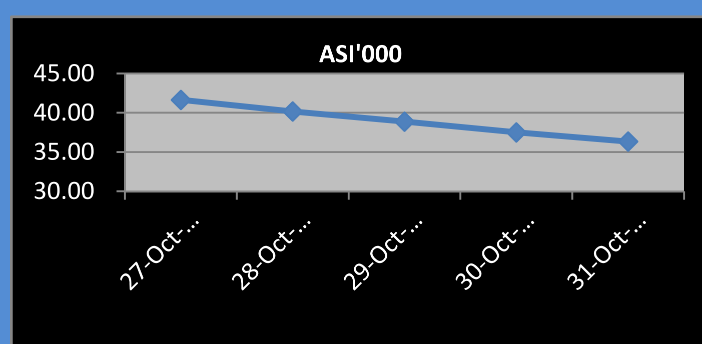
THE CAPITAL MARKET UPDATE

- ✓ The NSE, during the week removed the 1% circuit breaker on downward price movement imposed on 27 August 2007. The ASI has lost 13.42% since the circuit breaker was lifted. Year-to-date loss of the ASI is now 37.36%. The ASI is at its lowest level since 31 January 2007.

- ✓ The minimum shares required to be traded before a price movement is recorded was reviewed downwards from a minimum of 100,000 shares to 50,000 shares.

- ✓ Union Bank Plc announced its full year result for the year ended 31st March 2008 declaring a dividend of ₦1 per share and bonus of 1 for 6. Closure date is November 17, while payment date is December 3, 2008.

NSE INDEX FOR THE WEEK ENDED OCTOBER 31, 2008



MARKET OUTLOOK FOR THE NEW WEEK

Even with the expansion of the discount window, we still expect inter-bank rates to remain stable while the bearish trend in the equity market is expected to persist in most part of the new week with the lifting of the 1% circuit breaker.

IBTC RSA FUND PRICE FOR THE WEEK ENDED 31 OCTOBER 2008

Date	Current Price (₦)
31 Oct 08	1.3686

DAILY OMO AUCTION FOR THE WEEK ENDED 31 OCTOBER 2008

Week 07	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
31 Oct 08	0.00	91	0.00	0.00
31 Oct 08	0.00	182	0.00	0.00

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
IFC	International Finance Corporation
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
CSCS	Central Securities Clearing System
IPP	Independent Power Plant
FG	Federal Government of Nigeria
NDIC	Nigeria Deposit Insurance Corporation
BPE	Bureau for Public Enterprises
PFA	Pension Fund Administrator
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
PPMC	Petroleum Pipelines Marketing Company
NIBOR	Nigerian Interbank Offered Rate

FOREX DEALS FOR THE WEEK ENDED 31 OCTOBER 2008

WDAS	Marginal Rate (₦/$1)	No. of Banks	Amount on Offer ($Mn)	Demand ($Mn)	Amount Sold ($Mn)
27 Oct 08	117.74	19	892.00	-	892.00
29 Oct 08	117.74	16	335.00	-	335.00
Total	**235.48**	**N/A**	**1,227.00**	**-**	**1,227.00**
Average	**117.74**	**N/A**	**613.50**	**-**	**613.50**

STOP RATES ON THE 3RD, 4th & 5TH FGN BONDS

Issue Date	Tenor/ Years	Amt Offered (₦'Bn)	Allotment (₦'Bn)	Stop Rate (%)
29 Jun 2007	7	45.000	45.000	9.20
27 Jul 2007	3	36.000	36.000	7.95
27 Jul 2007	10	20.000	20.000	9.85
31 Aug 2007	5	46.000	46.000	9.50
31 Aug 2007	10	20.000	20.000	9.35
28 Sep 2007	7	30.000	37.190	9.25
28 Sep 2007	10	20.000	20.000	9.51
26 Oct 2007	3	20.000	22.810	7.00
26 Oct 2007	10	22.810	20.000	9.95
30 Nov 2007	3	30.000	30.000	9.20
30 Nov 2007	10	20.000	20.000	11.00
14 Dec 2007	3	30.000	30.000	8.99
14 Dec 2007	10	20.000	20.000	11.03
25 Jan 2008	3	30.000	30.000	9.000
25 Jan 2008	5	20.000	20.000	9.450
29 Feb 2008	3	30.000	30.000	9.50
29 Feb 2008	5	20.000	20.000	10.30
26 Mar 2008	3	30.000	30.000	9.60
26 Mar 2008	5	20.000	20.000	10.00
25 Apr 2008	5	30.000	30.000	9.65
30 May 2008	5	30.000	30.000	10.50
30 May 2008	10	20.000	20.000	10.70
27 June 2008	5	30.000	30.000	10.70
27 June 2008	10	20.000	18.540	12.75
25 July 2008	3	25.000	15.820	10.50
25 July 2008	10	20.000	9.8200	12.75
29 Aug 2008	3	30.000	30.000	11.40
29 Aug 2008	10	20.000	20.000	12.75
26 Sept 2008	3	30.000	30.000	11.00
26 Sept 2008	10	20.000	20.000	12.45
29 Oct 2008	3	30.000	30.000	10.00
29 Oct 2008	10	20.000	20.000	11.99

TREASURY BILLS PRIMARY MARKET AUCTION FOR THE WEEK ENDED 31 OCTOBER 2008

Week 08	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
30-Oct-08	6.5000	91 days	5.0000	5.0000
30-Oct-08	8.2000	182 days	10.0000	10.0000
Total			**15.9102**	**15.9102**

Date	Call	7-day	30-day	60-day	90-day	180-day
27-Oct-08	14.4167	15.2917	15.5833	15.9583	15.8750	15.9583
28-Oct-08	14.7083	15.1667	15.7083	15.8750	15.7917	16.0417
29-Oct-08	14.9167	15.4167	16.0000	15.9583	16.0000	16.2083
30-Oct-08	15.5000	15.9583	16.1250	16.0833	16.2917	16.2500
31-Oct-08	15.7500	15.6667	15.6667	16.4583	16.4583	16.4583

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