

Weekly Money Bulletin 07 NOVEMBER 2008

OUTLINE

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

KEY DEVELOPMENTS

- ❖ The Federal Government has ceded 15% of its equity holding in NITEL to NigComSat under a private equity transfer arrangement. This dilutes the FG's equity to 34% down from the 49% it held after the sale of 51% equity to Transcorp. NigComSat is owned 100% by the FG. Meanwhile, the FG is planning to sell another 24% of its equity to a core investor in alliance with Transcorp which will also relinquish 27% of its 51% equity in NITEL to enable a core investor gain 51% shareholding. The remaining 10% holding would be shared between NITEL workers and Investors International of London Limited.
- ❖ CBN has listed conditions for banks and discount houses wishing to access the recently expanded discount window. Some of the conditions are that the window would be approached only on a last resort basis after fully exhausting all alternative market sources. The collateral used shall have a face value of not less than 110% face value and the interest on an overnight advance shall be deducted from the amount advanced with the balance credited to the borrower's current account with the CBN. Also, the window can only be advanced once a day and at the close of business while frequent access shall prompt greater scrutiny by the CBN.
- ❖ Some banks have started to restructure the repayment terms of their margin loans to stockbroking firms in line with the CBN directive. Some of the banks have reviewed their repayment terms by rolling over the facilities for 18 months while increasing the interest rate charged on the loans by about 6 basis points. Banks are said to have advanced about ₦700 billion to stockbroking firms for share purchases. This amount represents about 25% of banks' aggregate shareholders' fund of about ₦3 trillion as at September 30 2008.

STANBIC IBTC WEEKLY MONEY BULLETIN

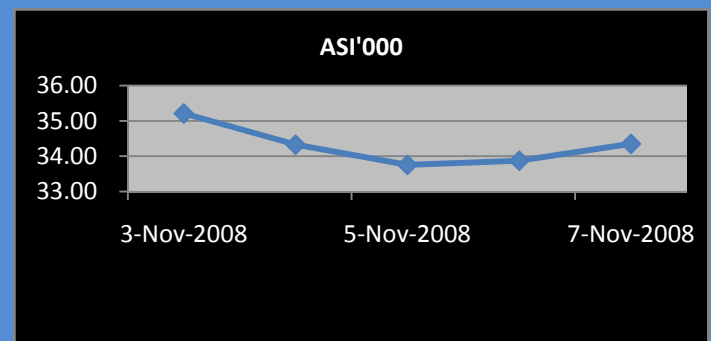
MONEY MARKET UPDATE

- ✓ The OBB stayed at 9.75% throughout the week while the overnight rates which opened the week at 16%, hiked to close the week at 17.25%.
- ✓ A net inflow of ₦170 billion flowed into the system this week through the Treasury Bills and repo market against ₦91.84 million last week. From the FX market, a net outflow of ₦19.898 billion was witnessed against ₦144.466 billion last week.
- ✓ Stop rate at the 91 days Primary Auction rose to 7.4% from 6.5% which it closed last week while the 182 days Primary Auction which closed at 8.20% last week, dropped to 7.5% this week.

THE CAPITAL MARKET UPDATE

- ✓ The ASI opened the week on a negative note with a loss of -3.06% and continued on that trend for the two trading days that followed. On the fourth trading day some strong bids started filtering into the market and the ASI gained 0.35% and 1.41% on the last two trading days to close the week at 34,351.81. ASI performance for the week was -5.43% against a loss of -13.27% the previous week. Year-to-date performance is now -40.76%.
- ✓ Bank PHB released its full year 2008 result this week declaring a dividend of 45 kobo per share. Closure date is November 17 while payment would be made on November 26 2008.

ASI FOR THE WEEK ENDED NOVEMBER 7 2008



MARKET OUTLOOK FOR THE NEW WEEK

Interbank rates are expected to remain stable as institutions access the CBN discount window while the bids filtering into the capital market are expected to hold the market up for a while before investors begin to take advantage.

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Board of Directors

A N A Peterside (Chairman), Yinka Sanni (Chief Executive Officer), Sola David-Borha, Chris Newson, Mallam Ahmed Dasuki, Okey Nwuke, Obinnia Abajue.

**IBTC RSA FUND PRICE FOR THE WEEK ENDED
07 NOVEMBER 2008**

Date	Current Price (₦)
07 Nov 08	1.3469

**DAILY OMO AUCTION
FOR THE WEEK ENDED 07 NOVEMBER 2008**

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

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
NITEL	Nigerian Telecommunications Limited
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
PAT	Profit After Tax
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 07 NOVEMBER 2008

WDAS	Marginal Rate (₦/\$)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
03 Nov 08	117.74	19	107.00	-	107.00
05 Nov 08	117.74	16	62.00	-	62.00
Total	235.48	N/A	169.00	-	169.00
Average	117.74	N/A	84.50	-	84.50

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 07 NOVEMBER 2008**

Week 08	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
06-Nov-08	7.4000	91 days	5.1065	5.1065
06-Nov-08	7.5000	182 days	10.0000	10.0000
Total			15.1065	15.1065

Date	Call	7-day	30-day	60-day	90-day	180-day
03-Nov-08	15.5833	16.1667	16.3333	16.3333	16.4583	16.7083
	16.0000	16.6250	17.0000	16.8750	16.9167	17.0833
04-Nov-08						
05-Nov-08	16.7083	16.8750	17.0417	16.9583	16.9250	17.1667
	17.1250	17.0417	17.3333	17.2917	17.2500	17.2917
06-Nov-08						
	16.7917	16.9167	17.4167	17.3333	17.4167	17.5833
07-Nov-08						

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



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