Stanbic IBTC Pension Managers

MoneyBulletin

Weekly Money Bulletin

12 DECEMBER 2008

OUTLINE

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

STANBIC IBTC PENSION WEEKLY MONEY BULLETIN

KEY DEVELOPMENTS

- At the Monetary Policy Committee (MPC) meeting held on 11 December 08, the Central Bank of Nigeria (CBN) decided to retain the Monetary Policy Rate (MPR) at the 9.75 percent (%) which has prevailed over the third quarter of this year. The CBN also seeks to employ measures aimed at mitigating the likely negative effect on the nation's financial system and the nation at large.

- Central Bank of Nigeria (CBN) has rolled out three economic stabilization measures targeted at ensuring stable lending and foreign exchange rates. These measures include a shift in monetary policy focus to inflation targeting; Reduction in banks' foreign exchange net open position from 20 percent (%) to 10 percent (%) of shareholders' fund with effect from Monday, 15 December 2008; And active daily inter-bank foreign exchange market participation. This move is aimed at foiling any envisaged backlash of a glooming global outlook come next year.

- The Federal Government of Nigeria (FGN) has proposed a budget of ₦2.8 trillion in the year 2009 to the Senate, with a projected deficit of ₦1 trillion. The FGN has been compelled to base the 2009 budget on $45 per barrel benchmark of crude due to the plummeting oil prices from a peak of $147 per barrel in July to less than $46 per barrel this week.

- It is expected that the Nigerian economy might experience liquidity tightness and subdued growth should the global financial meltdown persists in year 2009. The commodity market in 2009 is expected to experience a boost as funds in the credit and the equity markets would likely find their ways into the commodity market and play a major role in that market.

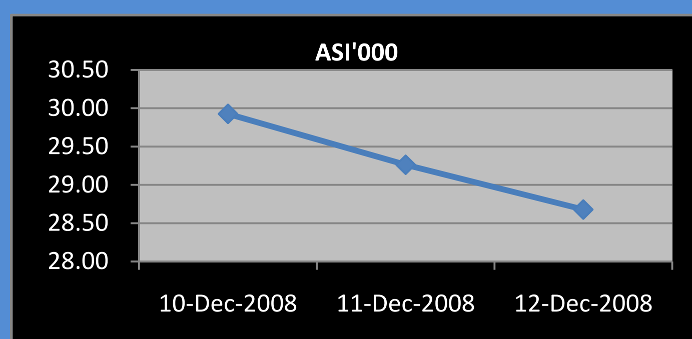
MONEY MARKET UPDATE

- ✓ The OBB. remained at 9% while the overnight rates rose to 10% over the week from 8.75%, which it closed the previous week.
- ✓ A net outflow of ₦311.00 billion was witnessed from the FX Market as against last week's ₦35,660 billion. The huge FX sale by the Central Bank of Nigeria (CBN) last week took out substantial liquidity from the money market, with rates moving up by 200 basis points on overnight funds to close at 10%
- ✓ A net inflow of ₦71,109.01 million was witnessed from Treasury Bills market as against last week's inflow of ₦98,638.81.
- ✓ Stop rate at the 91 and 182 days Primary Auction dropped further to 5.44% and 5.74% from last week's 5.94% and 5.989% respectively.

THE CAPITAL MARKET UPDATE

- ✓ The All share index dropped significantly throughout the week with only few stocks appreciating per day and closing the week at 28,667.44. Year-to date performance stands at -50.55% and total loss for the week is -6.45%.
- ✓ Honeywell Flour mills seeks to raise N18.65Billion by offering to members of the Nigerian investing public by way of offer for sale of ₦1.25 million ordinary shares and an offer for subscription of 941million ordinary shares of 50kobo each at ₦8.50 per share respectively.

NSE INDEX FOR THE WEEK ENDED 12 DECEMBER 2008



MARKET OUTLOOK FOR THE NEW WEEK

We expect the market to dip further in the new week as investors would need to cashout for the yuletide season in this December Period. This nose dive trend in the capital market is expected till the end of December.

IBTC RSA FUND PRICE FOR THE WEEK ENDED 12 DECEMBER 2008

Date	Current Price (₦)
12 Dec 08	1.3315

DAILY OMO AUCTION FOR THE WEEK ENDED 12 December 2008

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

KEY TO ABBREVIATIONS

ASI	All Share Index
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
CBN	Central Bank of Nigeria
SEC	Security and Exchange Commission
NITEL	Nigerian Telecommunications Limited
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
CSCS	Central Securities Clearing System
IPP	Independent Power Plant
FGN	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 12 DECEMBER 2008

WDAS	Marginal Rate (₦/$1)	No. of Banks	Amount on Offer ($Mn)	Demand ($Mn)	Amount Sold ($Mn)
10 Dec 08	135.00	19	-	1,300	0.00
12 Dec 08	135.50	16	-	1,000	0.00
Total	**270.50**	**N/A**	**-**	**2,300**	**0.00**
Average	**135.25**	**N/A**	**-**	**1,150**	**0.00**

TREASURY BILLS PRIMARY MARKET AUCTION FOR THE WEEK ENDED 05 DECEMBER 2008

Week 08	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
12-Dec-08	5.4400	91 days	5.0000	5.0000
12-Dec-08	5.7400	182 days	10.0000	10.0000
Total	**11.1800**		**15.0000**	**15.0000**

Date	Call	7-day	30-day	60-day	90-day	180-day
10-Dec-08	9.8333	11.5833	15.2917	15.5000	15.5417	15.7917
11-Dec-08	10.2500	12.2917	15.0833	15.2917	15.7500	16.0000
12-Dec-08	10.9167	12.6667	15.5000	15.7083	16.0833	16.2917

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

Issue Date	Tenor/ Years	Amt Offered (₦'Bn)	Allotment (₦'Bn)	Stop Rate (%)
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
26 Nov 2008	5	25.890	10.000	10.50
26 Nov 2008	20	23.520	10.000	15.00
26 Nov 2008	3	34.980	20.000	10.00

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