

Weekly Money Bulletin 16 JANUARY 2009

OUTLINE

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

KEY DEVELOPMENTS

- ❖ The Federal Government of Nigeria (FGN), in a bid to strategize and adjust to the present global financial turmoil recently announced that withdrawals would no longer be made from the Excess Crude Account for sharing among the three tiers of government due to the dwindling receipt from sale of crude oil. In a related development, effective February 2009, allocation to the Federal, State and Local Government would be reduced in line with economic realities of Federal Reserves.
- ❖ Pension Fund Administrators (PFAs) in Nigeria are set to experience an increase in their client base as workers whose accumulated benefits from the scrapped pension scheme under the five year allowable period for Trust fund to manage inherited funds would terminate by 30 June 2009. Upon expiration of the tenor, these groups of workers are at liberty to move their funds to any PFA of their choice in accordance with the provisions of the Pension Reform Act of 2004.
- ❖ In a bid to salvage the naira from further depreciating and stabilize the foreign exchange market, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) met on 14 January 2009 and came up with a resolution that the Wholesale Dutch Auction System (WDAS) would be suspended and replaced with the Retail Dutch Auction System (RDAS) effective 19 January 2009. The apex bank also said RDAS would be conducted on Mondays and Wednesdays as against the daily auction earlier practiced. Some operational guidelines for RDAS were however stipulated by the MPC.
- ❖ Operational activities of the Major Oil Marketers Association of Nigeria (MOMAN) have recently been hampered by high interest rate levied by local banks coupled with exchange rate differential. The depreciation of Naira against the US Dollar has also significantly increased the cost of importation of fuels, which the oil marketers or importers find very difficult to recover due to the regulated pump price and as such will be unable to further participate in importation of the product. However, oil marketers are advocating direct sale of foreign exchange to them by the Central Bank of Nigeria to help reduce its cost.

STANBIC IBTC PENSION WEEKLY MONEY BULLETIN

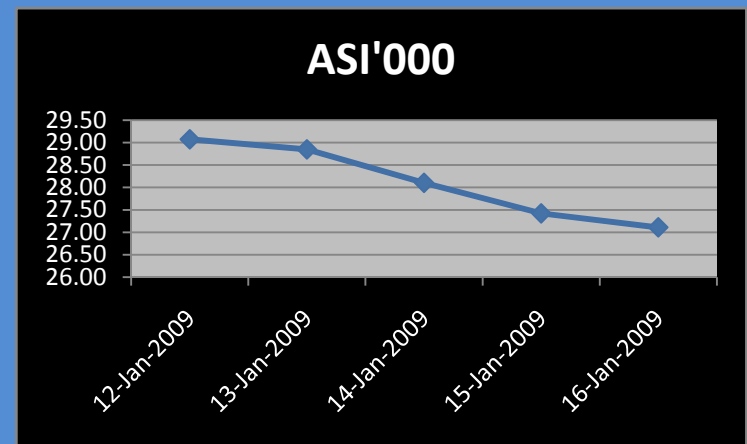
MONEY MARKET UPDATE

- ✓ The OBB remained at 2% at the end of the week while the overnight rates plunged to 3.50% over the week from 4%, which it opened the previous week.
- ✓ No net inflow or outflow was witnessed in the FX market.
- ✓ Stop rate at the 91 days Primary Auction plunged from 5.1% to 3.5% while the 182 days Primary Auction plummeted from 6.0% to 4.4%.
- ✓ The Federal Account Allocation Committee (FAAC) approved a sum of N435 billion this week to be shared among the three tiers of Government.
- ✓ The Naira appreciated against the US Dollar to close the week at ₦145 in the inter-bank market.

THE CAPITAL MARKET UPDATE

- ✓ The All Share Index (ASI) ended the week on a negative note to close at 27,108.54. The Year-to-date stands at -13.81%, while the ASI ended the week with a loss of -6.1%.

NSE INDEX FOR THE WEEK ENDED 16 JANUARY 2009



MARKET OUTLOOK FOR THE NEW WEEK

We expect the bear trend to persist all through the new week with continual exit of equity positions. Paucity of funds in the money and inter-bank market would also accelerate the bear trend in the capital market.

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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
16 JANUARY 2009**

Date	Current Price (₦)
16 Jan 09	1.3415

**DAILY OMO AUCTION
FOR THE WEEK ENDED 16 JANUARY 2009**

Week 03	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
16 Jan 09	0.00	91	0.00	0.00
16 Jan 09	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
RDAS	Retail Dutch Auction System
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
MOMAN	Major Oil Marketers Association of Nigeria
FAAC	Federal Account Allocation Committee
FGN	Federal Government of Nigeria
WDAS	Wholesale Dutch Auction System
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 16 JANUARY 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
15 Jan 09	148.00	19	-	-	445.70
16 Jan 09	145.00	16	-	-	79.00
Total	293.00	N/A	-	-	524.70
Average	146.50	N/A	-	-	262.35

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 16 JANUARY 2009**

Week 01	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
16-Jan-09	3.7000	91 days	15,000.00	15,000.00
16-Jan-09	4.4000	182 days	15,000.00	15,000.00
Total	8.1000		30,000.00	30,000.00

Date	Call	7-day	30-day	60-day	90-day	180-day
12-Jan-09	4.2500	8.0833	13.9167	14.5833	14.9583	15.0417
13-Jan-09	6.3333	9.3750	14.2500	15.1667	15.4167	14.8333
14-Jan-09	6.2500	9.6667	14.9170	15.7500	15.8333	15.8750
15-Jan-09	7.0833	10.8333	14.3380	16.0000	15.8333	15.9583
16-Jan-09	5.8333	8.2500	14.3750	15.3333	15.5417	15.9167

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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