Stanbic IBTC Pension Managers

MoneyBulletin

Weekly Money Bulletin

23 JANUARY 2009

OUTLINE

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

STANBIC IBTC PENSION WEEKLY MONEY BULLETIN

KEY DEVELOPMENTS

- The downside risk exposure of Nigerian banks to the ongoing global financial meltdown was recently confirmed by the Central Bank of Nigeria (CBN). The CBN reiterated that the rate of profitability of banks may reduce even though large scale losses are not anticipated. CBN further reiterated that this could be attributed to weakening of Nigeria's external sector, crash of the capital market, bad loans as well as falling demand for bank's product.

- The Central Bank of Nigeria (CBN) has threatened to revoke the operating license of Bureaux De Change (BDC) operators that sell official foreign exchange above the 2 percent maximum spread. This came against the backdrop that activities of the BDCs was partly responsible for speculative foreign exchange demand, which has continued to weaken the Naira. The BDCs were said to have sold the US Dollar to as high as N160 per dollar during the scarcity.

- In a bid to subject petroleum prices to market forces, the Petroleum Product Pricing Regulatory Agency (PPPRA) recently recommended a slash in fuel pump price to N65 per litre. This move aims at substituting the fixed price regime with a recommended price based at the prevailing market fundamentals, which is meant to be assessed due to the falling crude oil prices in the international market while also passing the benefit of drop in crude oil prices to the entire public. However, marketers are yet to reach a consensus about the proposed price.

- The CBN has concluded plans to reform the Finance Houses sub-sector of the economy. CBN intends to start with publishing the names of registered Finance Houses as well as conduct verification exercise of those that have not been sending their returns and those that have changed their addresses. Finance Houses that have not been submitting monthly returns would be proposed a time frame within which they must render all outstanding returns or their operating licences would be revoked.

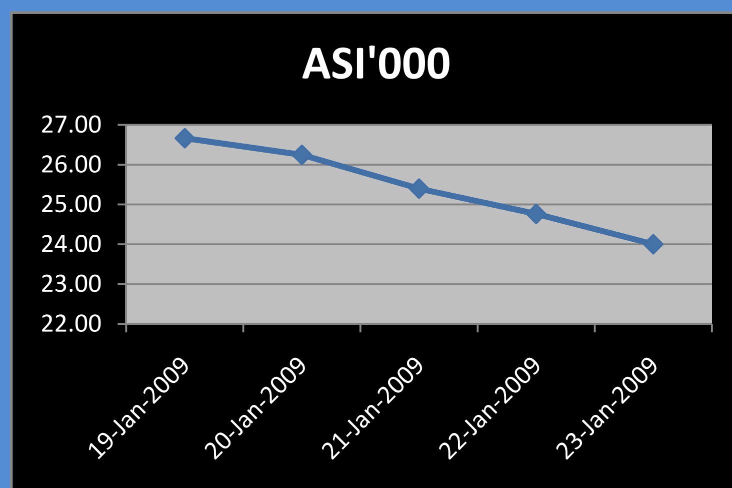
MONEY MARKET UPDATE

- ✓ The OBB opened the week at 1.75% and rose to 2.25% at the end of the week while the overnight rates rose to 4.25% over the week from 3.25%, which it opened the previous week.
- ✓ No net inflow or outflow was witnessed in the FX market.
- ✓ Treasury bill secondary market remained active.
- ✓ Inflation rate rose from 14.8% to 15.1%
- ✓ The Naira depreciated against the US Dollar to close the week at ₦144 in the inter-bank market.

THE CAPITAL MARKET UPDATE

- ✓ The All Share Index (ASI) ended the week on a negative note to close at 24,000.09. The Year-to-date stands at -23.69%, while the ASI ended the week with a cumulative loss of -11%.

NSE INDEX FOR THE WEEK ENDED 23 JANUARY 2009



MARKET OUTLOOK FOR THE NEW WEEK

We expect the bear trend to persist all through the new week with more people exiting positions in the capital market.

IBTC RSA FUND PRICE FOR THE WEEK ENDED 23 JANUARY 2009

Date	Current Price (₦)
23 Jan 09	1.3301

DAILY OMO AUCTION FOR THE WEEK ENDED 23 JANUARY 2009

Week 03	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
23 Jan 09	0.00	91	0.00	0.00
23 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 23 JANUARY 2009

WDAS	Marginal Rate (₦/$1)	No. of Banks	Amount on Offer ($Mn)	Demand ($Mn)	Amount Sold ($Mn)
19 Jan 09	144.01	19	-	-	17.17
21 Jan 09	144.00	16	-	-	187.91
Total	**288.01**	**N/A**	**-**	**-**	**205.08**
Average	**144.01**	**N/A**	**-**	**-**	**102.54**

TREASURY BILLS PRIMARY MARKET AUCTION FOR THE WEEK ENDED 23 JANUARY 2009

Week 03	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
23-Jan-09	0.0000	91 days	0,000.00	0,000.00
23-Jan-09	0.0000	182 days	0,000.00	0,000.00
Total	**0.0000**		**0,000.00**	**0,000.00**

Date	Call	7-day	30-day	60-day	90-day	180-day
19-Jan-09	5.1667	8.7083	13.6667	14.5000	14.8750	15.6250
20-Jan-09	5.0000	7.9167	13.7917	14.7500	15.1667	15.5000
21-Jan-09	5.7500	7.8333	13.6667	15.1667	15.9167	16.1250
22-Jan-09	6.0833	9.1250	14.8333	15.4583	16.1667	16.2500
23-Jan-09	5.9583	8.7917	15.0417	15.5833	16.0000	16.0417

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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Head Office: The Wealth House, Plot 1678 Olakunle Bakare Close, Off Sanusi Fafunwa Street, Victoria Island, Lagos Nigeria
Telephone: +234-1-2716000 Facsimile: +234-1-2716021/2
E-mail: PensionManagers@STANBICIBTC.com