

Weekly Money Bulletin

06 FEBRUARY 2009

OUTLINE

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- ❑ Fixed Income & Capital Market Update
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KEY DEVELOPMENTS

- ❖ The loans guaranteed under the Agricultural Credit Guarantee Scheme Fund (ACGSF) increased from N3.52 billion to N6.7 billion at the end of 2008. This increase came about as a result of the CBN's moves that all sectors of the economy have adequate financing. Analysis show that this increase arose out of the increased need for loan guarantees because some banks adopted strict loan issue policy from last quarter, owing to global trends.
- ❖ Banks have ruled out the workability of interest rate cuts as solution to jump-start the domestic economy that is deep in recession, owing to the global financial crisis. The banks hinge their position on several factors that makes it impossible for them to lend below the prevailing interest rate, which is from 20% to 25%. The deposit money financial institutions are of the view that in an environment laden with credit crunch and where banks source deposits at high interest rate in order to stay liquid, reducing lending rate will create distortions and further make credits unavailable.
- ❖ Amidst the gross financial crisis in the country, recent figures released by the CBN shows that banks lending activities reached ₦7.4 trillion by the end of 2008 up from about ₦4.6 trillion in 2007. The figure represents about 60.86% growth in lending by banks.
- ❖ The CBN is currently deliberating with finance experts to brainstorm on ways to fashion out appropriate inflation, interest and exchange rates regime for the country to mitigate the impact of the ongoing international financial crisis on the nation's economy. Part of what will be examined at the meeting include the modality for managing inflation rate to a single digit this year despite the falling naira value and Federal government's plan to finance this year's budget deficit with bonds and local borrowing following the dwindling oil revenue due to crude price crash in the international market.

STANBIC IBTC WEEKLY MONEY

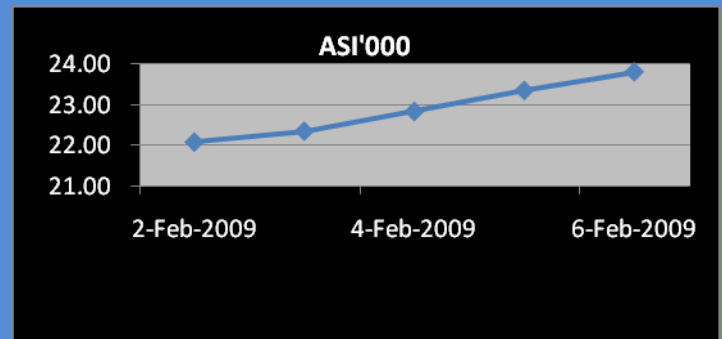
MONEY MARKET UPDATE

- ✓ Market experienced a net inflow of ₦88,478m this week as against a net outflow of N33,370m the previous week.
- ✓ OBB and Overnight rates which opened the week at 9.25% and 11.75%, rose to 9.75% and 15%, but dipped to close the week at 8% and 13.5% respectively.
- ✓ Outflow through FX this week was ₦146,608.28m as against N81,356.43m the previous week.
- ✓ Approximately N11.1 billion NNPC debit hit the system during the week.
- ✓ The Naira depreciated by 79k to close at N145.3/\$1.

THE CAPITAL MARKET UPDATE

- ✓ The Bull Run continued as the strong gains in stocks trading in the Nigerian Stock Exchange caused a gain of 1.98% in the ASI. In all, this bull week has rescued a total gain of 9.19% in the ASI with February showing a strong performance of 9.68%. The year-to-date performance of the ASI has improved to -24.27% from a loss of -30.64% witnessed in January 2009 alone.

ASI FOR THE WEEK ENDED 06 FEBRUARY 2009



MARKET OUTLOOK FOR THE NEW WEEK

The liquidity in the market will reduce slightly and the bullish runs will not be held throughout the week because of profit taking.

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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, Fajemisin Eric

**IBTC RSA FUND PRICE FOR THE WEEK ENDED
06 FEBRUARY 2009**

Date	Current Price (₦)
06 Feb 2009	1.3297

**DAILY OMO AUCTION
FOR THE WEEK ENDED 06 FEBRUARY 2009**

Week 05	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
06 Feb 09	0.00	00	00.00	00.00

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
SEC	Securities and Exchange Commission
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
NNPC	Nigeria National Petroleum Commission
FG	Federal Government of Nigeria
WDAS	Wholesale Dutch Auction System
GDP	Gross Domestic Product
PFA	Pension Fund Administrator
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
PenCom	National Pension Commission
NIBOR	Nigerian Interbank Offered Rate

FOREX DEALS FOR THE WEEK ENDED 06 FEBRUARY 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
02 Feb 09	145.30	25	200.00	-	200.00
04 Feb 09	145.30	26	200.00	-	809.00
Total	290.60	51	400.00	-	1,009.00
Average	145.30	N/A	200.00	-	504.50

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 06 FEBRUARY 2009**

Week 04	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
06 Feb-09	0.00	-	00.000	00.000
Total				

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
30 Jan 2009	3	36.570	10.000	9.92
30 Jan 2009	5	26.580	20.000	11.40
30 Jan 2009	20	20.000	20.000	13.24

TENOR	2- Feb	3-Feb	4-Feb	5-Feb	6-Feb
Call	10.9167	12.7917	13.4167	13.6250	13.7500
7-Day	13.6667	13.9583	14.7500	14.5833	14.8750
30-Day	15.8750	16.1667	16.3750	16.6250	16.7917
60-Day	16.5417	16.4583	16.6667	16.7917	16.8750
90-Day	16.7917	16.7917	16.9167	16.8333	17.0833
180-Day	16.9167	17.0833	17.2917	17.0000	17.3750
360-Day	16.9167	17.1250	17.3750	17.0000	17.4583



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