

Weekly Money Bulletin

20 FEBRUARY 2009

OUTLINE

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

KEY DEVELOPMENTS

- ❖ There are new measures taken by the Federal government to cut public spending and free resources from the oil industry for use in other sectors to minimize the effects of the global recession. Amongst the core aspects of the reform is the removal of the subsidy on petroleum products, which amounted to about N2 trillion in a decade. The removal of subsidy granted by the government as palliatives to fuel importers also means that marketers will recoup all their costs and add a profit margin to arrive at the pump prices of products. These developments will erode the benefits of the recent removal of N5 from the pump price of petrol.
- ❖ The Director General of the Nigerian Stock Exchange (NSE), Okereke-Onyiuke has announced that she would be resigning from her position by the end of December 2010. Also, the NSE would be demutualized and registered with the Securities and Exchange Commission (SEC) as a profit making company with shareholders, Board of Directors and chairman like any other company. The current Director General would however continue to serve on the board of the demutualized NSE as an ex-officio for three years. Accenture has been appointed to help with the proposed demutualization.
- ❖ The Central Bank of Nigeria has imposed restrictions on banks advertising campaigns and promotions in order to reduce operating expenses. Apparently, the CBN is imposing these restrictions in a bid to mitigate the negative impact of the global financial crisis on the nation's banking system and stop banks from unethical practices of de-marketing one another.
- ❖ The Federal government has eased the process of receiving the Negotiable Duty Credit Certificates (NDCCs) by exporters without necessarily going through a bank as first requirement. This removal of the bank guarantee requirement is to eliminate additional costs to the exporters as well as remove impediments to doing business in the country. This would encourage exporters to venture into the non-oil business towards enhancing foreign exchange earnings for the country.

STANBIC IBTC WEEKLY MONEY

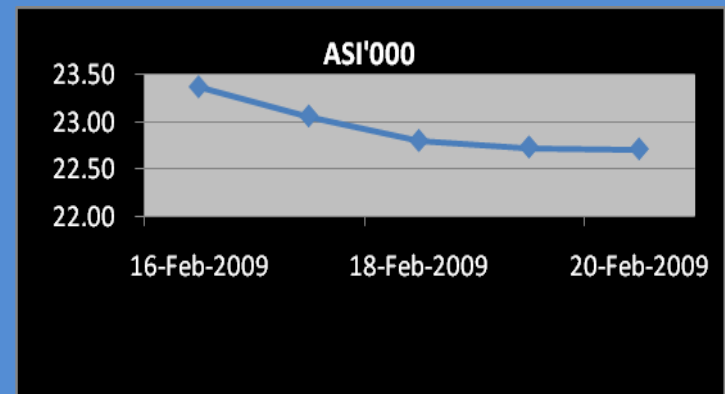
MONEY MARKET UPDATE

- ✓ Outflow through FX this week was ₦78,915.85m as against ₦84,686.14m the previous week.
- ✓ OBB and Overnight rates which opened the week at 9.75% and 23%, dipped to close the week at 8.5% and 13% respectively.
- ✓ The Naira which closed at ₦146.96 last week appreciated by ₦1.06 to close this week at ₦145.90/\$1.

THE CAPITAL MARKET UPDATE

- ✓ The bearish trend persisted during the week with the ASI losing a total of -3.91%. Year-to-date performance now stands at -27.79% with current February performance of 4.12% compared to -30.64% of January 2009. The ASI closed at 22,711.91 today from 22,728.76.

ASI FOR THE WEEK ENDED 20 FEBRUARY 2009



MARKET OUTLOOK FOR THE NEW WEEK

- NTB Primary auction is expected to hold and the market is expected to experience some tightness.
- The capital market is expected to stabilize and possibly rebound this week.
- There will also be a bond auction coming up on Wednesday 25 February 2009 for the following:
 - ₦20 billion FGN Bond 9.92% Jan 30, 2012 (3 Year)
 - ₦20 Billion FGN Bond 10.50% Nov 28, 2013 (5 Year)
 - ₦10 Billion FGN Bond 15.00% Nov 28, 2028 (20 Year)

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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
20 FEBRUARY 2009**

| Date | Current Price (₦) |
|-------------|-------------------|
| 20 Feb 2009 | 1.3357 |

**DAILY OMO AUCTION
FOR THE WEEK ENDED 20 FEBRUARY 2009**

| Week 07 | Stop Rates (% p.a.) | Tenor (Days) | Bids Received (₦) Billion | Amount Sold (₦) Billion |
|-----------|---------------------|--------------|---------------------------|-------------------------|
| 20 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 20 FEBRUARY 2009

| RDAS | Marginal Rate (₦/\$) | No. of Banks | Amount on Offer (\$Mn) | Demand (\$Mn) | Amount Sold (\$Mn) |
|----------------|----------------------|--------------|------------------------|---------------|--------------------|
| 16 Feb 09 | 145.90 | 20 | 200.00 | 457.54 | 207.01 |
| 18 Feb 09 | 145.90 | 20 | 200.00 | 385.24 | 333.88 |
| Total | 291.80 | 40 | 400.00 | 842.78 | 540.89 |
| Average | 145.90 | N/A | 200.00 | 421.39 | 270.45 |

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 20 FEBRUARY 2009**

| Week 07 | Stop Rate (% p.a.) | Tenor | Bids Received (₦)Billion | Amount Sold (₦)Billion |
|-----------|--------------------|-------|--------------------------|------------------------|
| 20 Feb-09 | 0.0000 | 91 | - | - |
| 20 Feb-09 | 0.0000 | 182 | - | - |
| 20 Feb-09 | 0.0000 | 364 | - | - |

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 | 16-Feb | 17-Feb | 18-Feb | 19-Feb | 20-Feb |
|----------------|---------|---------|---------|---------|---------|
| Call | 20.9167 | 21.1250 | 15.3333 | 15.7500 | 16.1250 |
| 7-Day | 19.9167 | 21.0833 | 15.8750 | 16.3333 | 17.1250 |
| 30-Day | 19.9167 | 21.2917 | 18.0417 | 18.0833 | 18.0417 |
| 60-Day | 19.7500 | 19.7500 | 16.5833 | 18.0417 | 18.4583 |
| 90-Day | 19.2083 | 19.9167 | 16.9583 | 17.9583 | 18.2083 |
| 180-Day | 19.7917 | 20.0417 | 16.8333 | 17.9583 | 18.3333 |
| 360-Day | 20.0000 | 20.4583 | 16.8750 | 17.7500 | 18.3750 |



MoneyBulletin

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