

## Weekly Money Bulletin 27 FEBRUARY 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The Central Bank of Nigeria recently extended the drive for FX market reforms to Bureau de Change operators (BDC). The operators are now to be categorized into classes A and B. Operators under Class A, which the CBN defines as “elite” group will now have a minimum paid up capital of ₦500 million. Other requirements under the new dispensation are mandatory non – interest bearing deposit with the CBN of \$200,000; non-refundable application fee of ₦100,000; licensing fee of ₦1 million; yearly renewal subject to satisfactory reporting requirements and performance fee of ₦250,000. All existing operators have been categorized into class B, while the “elites” is created for high net worth operators. The elite’s will be involved in the sale and purchase of forex, prepaid cards, traveler’s cheques, money transfer – inward and outward, and participation in the CBN’s foreign exchange auction.
- ❖ The Central Bank of Nigeria (CBN) has ordered banks to stop issuing magnetic stripe payment cards by 01 April 2009. The magnetic stripe payment card will be replaced with the use of Chip plus (smart card). The existing magnetic stripe cards have minimal storage space, cannot store applications, offer little flexibility for new product development, easy to duplicate and offer minimal security features while the Smart card contains the same information as a magnetic stripe but has additional processing capabilities and secure memory.
- ❖ The Federal government has made a couple of decisions in line with the recommendations of the Presidential Steering Committee on Global Economic Crisis (PSCGEC). These decisions include: Total deregulation of the downstream sector with the opening of general license for anyone bringing in petroleum products as long as specifications are met; immediate privatization of all refineries with directive that no additional expenditure be made on the moribund refineries before sale; increase of strategic reserves; reduction of all excise duties, except tobacco and alcohol; reduction of capital market charges to 25% of the previous rate; no government intervention in the capital market should be expected and full scale investigation into the state of health of banks.
- ❖ The FG is considering some banking reforms which include the immediate establishment of a Financial Service Regulatory (FSC) Committee. The committee will comprise key regulatory agencies which include the CBN, Securities and Exchange Commission (SEC), National Deposit Insurance Commission (NDIC), National Insurance Commission (NAICOM). This committee is to meet monthly to monitor and review developments in the financial system. The resultant effect is that the FSC might be empowered with the responsibilities of the regulatory agencies.

## STANBIC IBTC WEEKLY MONEY

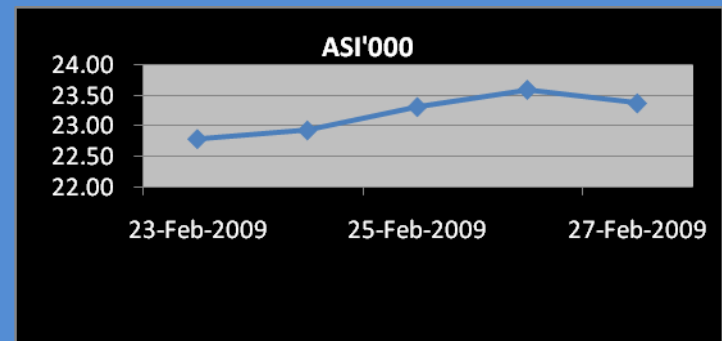
### MONEY MARKET UPDATE

- ✓ Outflow through FX this week was ₦84,102.94m as against ₦78,915.85m the previous week.
- ✓ OBB and Overnight rates which opened the week at 8.5% and 14% rose to close the week at 9.5% and 17% respectively.
- ✓ Stop rate at the 91-days Primary Auction rose from 1.898% to 2%.
- ✓ The 182-days primary auction stop rate however, dropped marginally from 2.588% to 2.55%
- ✓ The Naira which closed at ₦145.90 last week depreciated by ₦0.05 to close this week at ₦145.85/\$1.

### THE CAPITAL MARKET UPDATE

- ✓ The bearish trend persisted during the week with the ASI losing a total of -2.93%. Year-to-date performance now stands at -25.67% with current February performance of 7.17% compared to -30.64% of January 2009. The ASI closed at 23,374.63 today from 23,594.06.

### ASI FOR THE WEEK ENDED 27 FEBRUARY 2009



### MARKET OUTLOOK FOR THE NEW WEEK

The market is expected to remain tight. Also, with the reduced supply of forex from the parallel market, we expect inter-bank rates to increase in the coming week. We also expect that investors will take profit in the coming week thus leading to depreciation in the value of the ASI this week.

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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, Eric Fajemisin

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

Date	Current Price (₦)
27 Feb 09	1.3486

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

Week 08	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
27 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
NDIC	National Deposit Insurance Commission
FG	Federal Government of Nigeria
RDAS	Retail Dutch Auction System
NAICOM	National Insurance Commission
FSC	Financial Service Regulatory Committee
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 27 FEBRUARY 2009**

RDAS	Marginal Rate (₦/\$)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
23 Feb 09	145.85	20	200.00	428.50	341.64
25 Feb 09	145.85	20	200.00	292.63	235.00
<b>Total</b>	<b>291.70</b>	<b>40</b>	<b>400.00</b>	<b>721.13</b>	<b>576.64</b>
<b>Average</b>	<b>145.85</b>	<b>N/A</b>	<b>200.00</b>	<b>360.56</b>	<b>288.32</b>

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 27 FEBRUARY 2009**

Week 08	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
26 Feb-09	2.0000	91	24.653	15.000
26 Feb-09	2.5500	182	28.811	15.000

**STOP RATES ON THE 3<sup>RD</sup>, 4<sup>TH</sup> & 5<sup>TH</sup> FGN BONDS**

Issue Date	Tenor/ Years	Amt Offered (₦)Bn	Allotment (₦)Bn	Stop Rate (%)
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
27 Feb 2009	3	20.000	20.000	10.25
27 Feb 2009	5	20.000	20.000	11.64
27 Feb 2009	20	10.000	10.000	13.21

TENOR	23- Feb	24-Feb	25-Feb	26-Feb	27-Feb
<b>Call</b>	16.7500	16.0417	16.0000	16.7917	18.0833
<b>7-Day</b>	17.0833	16.7083	16.9167	17.5417	18.0000
<b>30-Day</b>	17.7917	18.1250	18.1583	17.7500	18.8333
<b>60-Day</b>	18.0833	17.5833	17.9167	18.1667	18.7083
<b>90-Day</b>	18.2917	17.8333	18.0417	18.2917	18.8750
<b>180-Day</b>	18.2917	17.8750	18.1333	18.4167	19.1250
<b>360-Day</b>	17.9586	18.0833	18.6250	18.4167	19.2083



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