

Weekly Money Bulletin

06 March 2009

OUTLINE

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

KEY DEVELOPMENTS

- ❖ In a drive to get Nigerian banks to make full disclosure of their exposures to ailing sectors, the Bankers' committee which constitutes of the Directors/CEOs of banks including top members of the Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC) recently unanimously agreed to implement a common accounting year-end, effective 31 December 2009. This decision which though was taken last year and later reversed is set to see the light of day come 31 December 2009. This is part of measures taken to encourage greater transparency in the sector.
- ❖ The federal government is considering proposals to establish an Asset Management Company that would purchase the toxic assets of the Nigerian banks and in return get equity stakes in the bank. The equity stake is expected to be sold back to the public on the floor of the Exchange after holding it for a specified period. This would have the effect of altering the ownership structure of the affected banks. Also, there is consideration for the submission to the National Assembly of a bill withdrawing from the CBN the responsibility of supervision of banks so that it could concentrate on its core functions of monetary policy implementation and inflation targeting. The new law being proposed includes a formation of a new body that would be responsible for overseeing the banking sector, insurance sector, pension funds, clearing houses, and the capital market operations. The new body being considered would comprise relevant government departments/units.
- ❖ The Federal government has announced the deferral of the earlier proposed USD\$500 million (naira denominated) 10 year sovereign bond to be issued in the International Capital Market (ICM). The government blamed the present global financial crisis for the postponement and promised to set a new date for issuance after the global financial crisis has abated. It would be recalled that the proceeds from this projected budget issuance was one of the sources from which the federal government had planned to finance the 2009 budget deficit of ₦1.09 trillion.
- ❖ The FG has appointed the CBN to manage the disbursement of ₦100 billion being part of the ₦177.95 billion electricity subsidy approved last year to take effect from 01 July 2008. This subsidy was introduced to cushion the effect of the new Multi Year Tariff Order (MYTO). The MYTO is a new tariff structure that fixes electricity prices for a 5-year period. The subsidy was put in place to take care of the difference between the cost of production cost (₦11.20) and sale price (₦6) of electricity from now till 2011 when the industry is assumed to be fully deregulated and profitable.

STANBIC IBTC WEEKLY MONEY

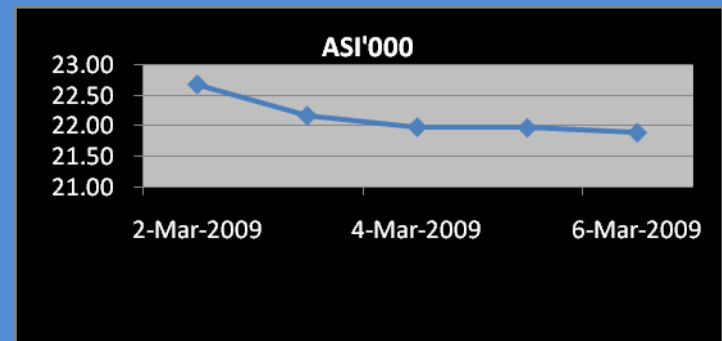
MONEY MARKET UPDATE

- ✓ Outflow through FX this week was N55,928.79m as against N84,102.94m the previous week.
- ✓ OBB and Overnight rates which opened the week at 9.5% and 19%, increased to close the week at 9.75% and 23% respectively.
- ✓ Stop rate at the 84-days OMO auction closed at 2.45%.
- ✓ A net credit of 1.506bn cash reserve ratio hit the system during the week.
- ✓ The Naira which closed at ₦145.85 last week depreciated by ₦0.43 to close this week at ₦146.28/\$1.

THE CAPITAL MARKET UPDATE

- ✓ The ASI reversed its performance to post a loss of -0.33% on Friday, thereby bringing the week's performance to a dismal -6.35% compared to 2.93% the previous week recorded. Year-to-date performance has now fallen to -30.39%, just -0.25% shy of -30.64% it was by the end of January 2009.

ASI FOR THE WEEK ENDED 06 March 2009



MARKET OUTLOOK FOR THE NEW WEEK

The money market is expected to remain illiquid. Also, with the continuous reduction in the supply of forex from the parallel market, we expect inter-bank rates to continue to increase in the coming week. We also expect some modest appreciation in capital market this coming week as the market has suffered some dip in the past week coupled with the fact that December results will begin to kick in.

This publication is for information purposes only. The Stanbic IBTC Group and its employees make no representations as to the accuracy and completeness of the information contained in this bulletin. We therefore accept no liability for any loss arising from the use of such information. Enquiries in relation to any of the matters herein may be directed to Tobi Onabiyi or Ndubuisi Obike on +234-1-2716023 (DL) or +234-1-2801255 ext. 1426 or 1400 respectively.

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
06 MARCH 2009**

Date	Current Price (₦)
06 Mar 09	1.3429

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

Week 08	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
06 Mar 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
ICM	International Capital Market
MYTO	Multi Year Tariff Order
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 MARCH 2009

RDAS	Marginal Rate (₦/\$)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
02 Mar 09	146.02	22	200.00	384.63	202.16
04 Mar 09	146.28	22	200.00	465.52	180.54
Total	292.30	44	400.00	850.15	382.70
Average	146.15	N/A	200.00	425.08	191.35

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

Week 08	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
06 Mar-09	-	91	-	0.000
06 Mar-09	-	182	-	0.000

TENOR	06 - Mar	05 - Mar	04 - Mar	03 - Mar	02 - Mar
Call	23.0833	22.4167	21.3333	20.5000	18.5000
7-Day	23.5833	22.7083	21.3333	20.5417	18.3750
30-Day	23.2500	22.1667	21.0417	20.2083	18.9167
60-Day	23.7500	22.5417	21.1667	20.1250	19.0833
90-Day	23.4167	22.6250	21.3333	20.4583	19.2500
180-Day	24.0417	23.0833	21.5417	20.5833	19.5417
360-Day	24.5417	23.3334	21.6667	20.5417	19.6250

STOP RATES ON THE 3RD, 4TH & 5TH 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



MoneyBulletin

Head Office: 1678 Olakunle Bakere Close, Off Sanusi Fafunwa Street Victoria Island Lagos
Nigeria
Telephone: +234-1-2801255 Facsimile: +234-1-2716021/2
E-mail: PensionManagers@IBTC.com