

Weekly Money Bulletin 20 March 2009

OUTLINE

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KEY DEVELOPMENTS

- ❖ The Central Bank of Nigeria (CBN) has revised the twice - a - week Retail Dutch Auction System (RDAS) sessions to a daily session with effect from Wednesday 18 March 2009. In a related development, the CBN also commenced supply of dollars to Bureau De Change (BDC) operators by as much as \$200 million weekly. This decision is to help in narrowing the growing disparity between the official and parallel rates which caused the seizure of funds being released to the market. Only BDCs owned by banks and those that have accurate foreign exchange data returns will be supplied by the apex body.
- ❖ The Federal Government has named 18 successor companies to the Power Holding Company of Nigeria (PHCN). The Bureau of Public Enterprise (BPE) and the Ministry of Finance Incorporated are the two key shareholders of the companies and would appoint the board members in a few weeks time. These companies are expected to sign a performance bond with FG on the management of the billions of naira being provided from the 2009 budget and Excess Crude fund account for capital projects.
- ❖ The CBN also released a circular to all deposit money banks and discount houses, which is meant to ensure that the banking system remains liquid. The circular states that: the standing lending facility (SLF) of CBN is open to all deposit money banks and discount houses: The Monetary Policy Rate (MPR) remains the rate for accessing the SLF window while the FGN Bond and Treasury Bills remain the only eligible collateral to be used in accessing it: the Repurchase (REPO) window is still open within a maximum tenor of 90days at MPR plus appropriate basis points to reflect different tenor: the eligible collateral for accessing facility from the Expanded Discount Window (EDW) shall include non- FGN securities such as State government bonds, Bankers acceptance e.t.c, FGN securities ceases to be eligible collateral for the EDW: any funds obtained from the CBN's lending windows should not simultaneously be placed in the interbank market.
- ❖ A total of ₦12.1 billion will be paid out to private depositors whose funds are trapped in 2 failed banks, Fortune International Bank (₦8.8 billion) and Triumph Merchant Bank (₦3.3 billion). This represents the full amount of private depositors funds trapped as against the usual ₦50,000.00 which is the statutorily required compensation for insured depositors in failed banks.

STANBIC IBTC WEEKLY MONEY BULLETIN

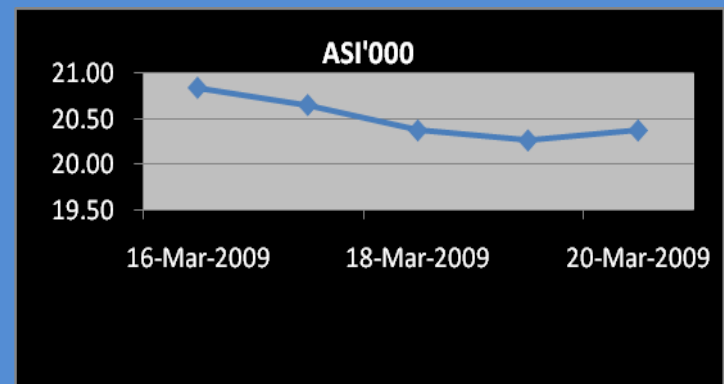
MONEY MARKET UPDATE

- ✓ Outflow through FX this week was ₦131,975.46m as against ₦102,605.34m the previous week.
- ✓ OBB rate remained dropped from 9.75% to 9.25% at the close of the week.
- ✓ Overnight rate which opened the week at 27.25%, dropped to close the week at 15%
- ✓ Market experienced a net outflow of ₦25,672.71 million as against an inflow of ₦43,420.41million the previous week.
- ✓ The Naira which closed at ₦146.60 last week depreciated by ₦0.60 to close this week at ₦147.20/\$1.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed this week at -3.02% compared to -4.06% the ASI returned last week. Year - to - date performance now stands at -35.23% with March's performance at -12.86%.
- ✓ GlaxoSmithKline Plc declared its result for the financial year ended 31 December 2008. A dividend of 60kobo was declared with a closure date of 27 April 2009 and payment on 21 May 2009.

ASI FOR THE WEEK ENDED 20 March 2009



MARKET OUTLOOK FOR THE NEW WEEK

Rates in the Money market are expected to experience a downward spiral as FAAC hits the system this week.

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Board of Directors

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**IBTC RSA FUND PRICE FOR THE WEEK ENDED
20 MARCH 2009**

Date	Current Price (₦)
20 Mar 09	1.3463

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

Week 09	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
20 Mar 09	2.85	147	35.50	20.00

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
EDW	Expanded Discount Window
FG	Federal Government of Nigeria
RDAS	Retail Dutch Auction System
SLF	Standing Lending Facility
MPR	Monetary Policy Rate
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 MARCH 2009

RDAS	Marginal Rate (₦/\$)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
16 Mar 09	146.60	25	200.00	-	673.95
18 Mar 09	146.90		200.00	-	122.93
19 Mar 09	147.20		200.00	-	102.69
Total	440.70	25	600.00	-	899.57
Average	146.90	N/A	200.00	-	299.86

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

Week 09	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
20 Mar-09	-	91	-	0000
20 Mar-09	-	182	-	0000
20 Mar-09	-	364	-	0000

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

Issue Date	Tenor/ Years	Amt Offered (₦)Bn	Allotment (₦)Bn	Stop Rate (%)
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
20 Mar 2009	3	20.000	20.000	10.95
20 Mar 2009	5	20.000	20.000	12.00
20 Mar 2009	20	20.000	10.000	13.50

TENOR	20 - Mar	19 - Mar	18 - Mar	17 - Mar	16 - Mar
Call	15.7500	19.1667	25.0833	26.0833	25.9167
7-Day	17.0833	19.6250	25.3333	26.0833	25.8333
30-Day	19.7917	20.6250	23.3333	25.4167	24.5822
60-Day	20.2917	20.0417	23.2500	25.0000	25.0833
90-Day	20.5833	20.3050	23.3333	25.1667	25.4583
180-Day	20.8750	20.6100	23.4167	25.4167	25.6667
360-Day	20.8750	20.6945	23.6667	25.5833	25.8333



MoneyBulletin

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