

## Weekly Money Bulletin

06 April 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The Nigeria Stock Exchange's All Share Index (ASI) experienced the steepest quarterly decline in more than a decade at 36.55% being the worst of 89 benchmark indexes tracked by Bloomberg. The 19 banking stocks quoted had as at last quarter lost a huge sum of ₦5.252 trillion as a result of the capital market's downturn. According to Bloomberg, bad loans to speculators dipped the banks' valuations to lowest of all time as banks have lost between 47% and 67% representing 68.2% of the total loss in the capital market. Banks' capitalization historically made up about two thirds of the Nigerian stock market.
- ❖ CBN in conjunction with the Federal Government has outlined contingency plans to tackle pressure on the country's banking system to ensure that no bank fails. The first of the three-prong approach in the plan is to keep vigilance on early warning signals of any bank through rigorous examination of such. Where there are liquidity problems, the second measure will be taken which is to advance term loans, target examination and arrange to restructure the balance sheet and management of the slipping bank(s). Lastly, where a bank seem to have solvency problem, the CBN would move in, change the management and strategically recapitalize the bank possibly through merger with or acquisition by a stronger bank.
- ❖ Nigeria's total debt is currently put at \$3.75 billion. The country owes \$3.2 billion to the World Bank and \$500 million to the Africa Development Bank (ADB). The Federal Government again secured \$50 million from the World Bank recently to eradicate polio in the country. The recent facility is an International Development Association (IDA) credit. The IDA is a concessionary window of the World Bank whose loans are interest free and repayable over 35 to 40-year period with a 10-year grace. Fees payable on the credit are commitment and service charges of 0.50% and 0.75% respectively.
- ❖ Microfinance banks in Nigeria have formally launched the Inter-Bank market which is meant to be a market where microfinance banks borrow and lend money to each other to cover temporary shortfall in liquidity position and invest excess funds. Unlike the Nigeria Inter-Bank market which consists of 24 banks and 5 discount houses, the Microfinance Interbank market is expected to have all 940 microfinance banks across Nigeria. Some of the market operators currently are Accion, Integrated, MIC, Gapbridge, and Susu Microfinance banks.

## STANBIC IBTC WEEKLY MONEY BULLETIN

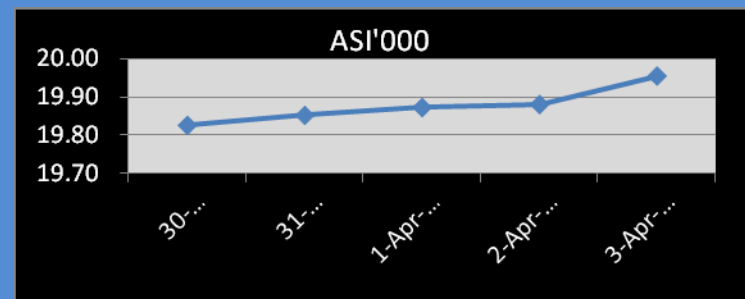
### MONEY MARKET UPDATE

- ✓ Outflow through FX last week was ₦46,807.13 million as against ₦133,001.12 million the previous week.
- ✓ OBB rate rose from 8.50% to 9.75% at the close of the week.
- ✓ Overnight rate which opened the week at 12.7500%, rose to close the week at 15.2083%
- ✓ Market experienced a net outflow of ₦35, 350.00 million as against an outflow of ₦8,278.69 million the previous week.
- ✓ The Naira which closed at ₦145.75/\$1 last week depreciated by ₦0.05 to close the week at ₦145.70/\$1.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed last week at 0.65% compared to -2.27% the ASI returned the previous week. The month of March closed with an ASI performance of -15.08% with that of April currently at 0.52%. Year – to – date performance now stands at -36.55%.
- ✓ Total Nigeria Plc declared its result for the financial year ended 31 December 2008. A final dividend of ₦9.13k was declared with a closure date of 20-24 April 2009 and payment date 29 June 2009. Interim dividend of ₦3.80 had been declared last year which brings a total dividend of ₦12.93

### ASI FOR THE WEEK ENDED 03 APRIL 2009



### MARKET OUTLOOK FOR THE NEW WEEK

Market is expected to be tight in the week as there is no major funds inflow expected while there is possibility for a drop in rates as Treasury Bills mature on Thursday 09 April 2009.

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#### Board of Directors

A N A Peterside (Chairman). Yinka Sanni (Managing). Sola David-Borha. Chris Newson. Mallam Ahmed Dasuki. Okey Nwuke. Obinnia Abajue. Eric Fajemisin, Sola David-Borha, Aniola Durosini-Etti

**IBTC RSA FUND PRICE FOR THE WEEK ENDED  
03 APRIL 2009**

Date	Current Price (₦)
03 April 09	1.3531

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 03 APRIL 2009**

Week 11	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
IDA	International Development Association
FG	Federal Government of Nigeria
RDAS	Retail Dutch Auction System
SLF	Standing Lending Facility
ADB	Africa Development Bank
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 03 APRIL 2009**

RDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
30 Mar 09	147.46	N/A	100.00	-	88.00
31 Mar 09	147.46		100.00	-	82.46
01 Apr 09	147.46		100.00	-	75.86
02 Apr 09	147.75		100.00	-	70.96
03 Apr 09	145.70		100.00	-	148.37
<b>Total</b>	<b>735.48</b>		<b>500.00</b>	-	<b>465.65</b>
<b>Average</b>	<b>147.17</b>	<b>N/A</b>	<b>100.00</b>	-	<b>93.13</b>

**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 (%)
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

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 03 APRIL 2009**

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

TENOR	03 - Apr	02 - Apr	01 - Apr	31 - Mar	30 - Mar
<b>Call</b>	15.2083	13.7417	13.4917	13.9583	12.8333
<b>7-Day</b>	16.4250	15.5550	15.3050	15.3333	15.4167
<b>30-Day</b>	18.7900	18.7417	18.7833	18.9583	18.0833
<b>60-Day</b>	19.2633	19.0833	19.3333	19.0000	18.6250
<b>90-Day</b>	18.8542	19.6250	19.8750	19.0000	19.0833
<b>180-Day</b>	18.9786	19.6317	19.7567	19.4167	19.5417
<b>360-Day</b>	19.5786	20.4717	20.0550	19.8333	20.0000



**MoneyBulletin**

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