

## Weekly Money Bulletin

25 May 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The Monetary Policy Committee (MPC) held a meeting on 21 May 2009 to address the problem of excess liquidity in the system. Decisions reached include: issuance of short-term instruments which will be synchronized with the issuance of FGN Bond by the Debt Management Office (DMO); to return to a fully liberalized foreign exchange market over the next three months and increase the Net foreign exchange Open Position (NOP) to 2.5% from 1.0%; banks will no longer be required to sell proceeds from non-RDAS and non-oil transactions within 5 days and such funds may be used for inter-bank transactions; Retail Dutch Auction System (RDAS) will be held twice weekly effective 01 June 2009; Government Agencies and Oil companies have been given discretion to sell foreign exchange at inter-bank foreign exchange market.
- ❖ The Nigeria Deposit Insurance Corporation (NDIC) recently disclosed that the total assets of insured banks as at the end of 2008 was valued at ₦19.26 trillion as against ₦8.05 trillion which was recorded after consolidation of banks in 2005. The corporation also put the exposure of commercial banks to risk at ₦237 billion and the Deposit Insurance Fund (DIF) into which the commercial banks contribute their premium at ₦175 billion. Banks are expected to pay into the DIF, a premium which is a flat rate of 15/16 of 1.0% of qualifying deposits.
- ❖ The National Bureau of Statistics (NBS) has released the year-on-year Consumer Price Index (CPI) for the month of April. The CPI has dropped to 13.3% in April 2009 from 14.4% which was recorded for the month of March. Food prices rose by 0.7% to 16.9% from 16.2% which was recorded in March 2009. The bureau disclosed that in the twelve month to April 2009, the index rose by 10.9% while the average rate of rise of the index on a month-on-month basis was 7.3% for the 12-month period ending April 2009.
- ❖ The Central Bank of Nigeria (CBN) recently granted approval-in-principles (AIPs) to 50 non-bank class 'A' Bureau De Change operators (BDCs) to carry out the following transactions: sale and purchase of foreign exchange; pre-paid cards; travellers' cheques; importation of foreign exchange and participation in foreign exchange cash auction. Prior to this, BDCs were only allowed to purchase foreign exchange from the CBN through the authorized dealer banks.

## STANBIC IBTC WEEKLY MONEY BULLETIN

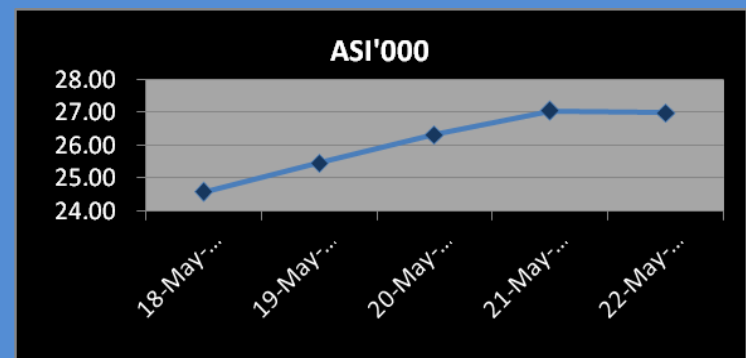
### MONEY MARKET UPDATE

- ✓ Outflow through FX last week was ₦81,975.11 million as against ₦76,437.41 million the previous week.
- ✓ OBB rate which closed the previous week with 8.00% closed last week at 7.5%
- ✓ Overnight rate which opened last week at 14.08% rose to close last week at 14.25%.
- ✓ There was net outflow of ₦85,106 million in the market last week as there was no outflow in the market the previous week.
- ✓ The Naira which closed the previous week at ₦147.97/\$1 yet closed last week at ₦148.10/\$1.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed last week at a gain of 8.84% compared to 5.44% the ASI returned the previous week. The month of May currently has a performance of 25.58%. Year – to – date performance now stands at -14.19%.
- ✓ Nigerian Breweries Plc has announced an interim dividend of ₦1.30k. Closure date is 22 - 26 June 2009 while payment date is 02 July 2009.

### ASI FOR THE WEEK ENDED 22 MAY 2009



### MARKET OUTLOOK FOR THE NEW WEEK

Market is expected to be tight as there are no inflows expected.

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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 Durosinni-Etti

**IBTC RSA FUND PRICE FOR THE WEEK ENDED  
22 MAY 2009**

Date	Current Price (₦)
22 May 09	1.4155

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 22 MAY 2009**

Week 18	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
MPC	Monetary Policy Committee
CPI	Consumer Price Index
NOP	Net Open Position
NDIC	Nigeria Deposit Insurance Corporation
FG	Federal Government of Nigeria
DIF	Deposit Insurance Fund
BDCs	Bureau De Change
NBS	National Bureau of Statistics
RSA	Retirement Savings Account
DMO	Debt Management Office
OMO	Open Market Operations
IDP	Interest Drawback Programme
NIBOR	Nigerian Interbank Offered Rate
AIP	Approval-in-Principle

**FOREX DEALS FOR THE WEEK ENDED 22 MAY 2009**

RDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
18 May 09	146.53	N/A	100.00	221.80	98.30
19 May 09	146.63		100.00	236.40	92.77
20 May 09	146.63		100.00	222.60	195.25
21 May 09	146.63		100.00	194.20	172.80
22 May 09	148.10		100.00	216.13	202.49
<b>Total</b>	<b>734.52</b>		<b>500.00</b>	<b>1,091.13</b>	<b>761.62</b>
<b>Average</b>	<b>146.90</b>	<b>N/A</b>	<b>100.00</b>	<b>218.23</b>	<b>152.32</b>

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 22 MAY 2009**

Week 18	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
21 May-09	3.14	91	28,800.00	15,106.56
21 May-09	5.05	182	60,000.00	30,000.00
21 May-09	-	364	-	0000

TENOR	22 - May	21 - May	20 - May	19 - May	18 - May
<b>Call</b>	14.2500	13.2083	12.8333	13.0417	14.4167
<b>7-Day</b>	14.8750	14.5330	14.0000	14.2083	14.0000
<b>30-Day</b>	16.2500	16.0000	14.5000	15.6250	15.5833
<b>60-Day</b>	16.7083	16.5833	15.9583	16.2917	16.0833
<b>90-Day</b>	16.8333	16.7083	16.4167	16.5833	16.4583
<b>180-Day</b>	17.2083	17.1250	16.8433	16.7083	16.5833
<b>360-Day</b>	17.3750	17.4167	17.1667	16.8333	16.7500

**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 (%)
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
22 Apr 2009	3	35.000	35.000	11.00
22 Apr 2009	5	25.000	25.000	11.85
22 Apr 2009	20	10.000	10.000	11.50
20 May 2009	3	20.000	20.000	10.50
20 May 2009	5	20.000	20.000	11.20
20 May 2009	20	10.000	10.000	12.49


**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@stanbicibtcpension.com](mailto:pensionmanagers@stanbicibtcpension.com)