

## Weekly Money Bulletin

01 June 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The Securities and Exchange Commission (“SEC”) recently announced that underwriting of public offers and rights issues will now be made voluntary and discretionary to the issuer. It was mandatory for Issuing Houses to underwrite at least 80% of every new issue to forestall under-subscription of such issue. To this end, under the Commission’s new rule, shares would be reverted to the company’s unissued share capital where the offer is undersubscribed and not underwritten. The Commission also said that the threshold for successful offers will be 50%. Underwriting is the process whereby an Issuing House agrees to purchase all or part of an unsubscribed security issue in a public offer.
- ❖ The Debt Management Office (“DMO”) has started the process of addressing legal issues, cost, and administrative factors constraining issue of corporate bonds in Nigeria. The DMO also stated that it would establish a Bond Market Steering Committee as part of the process. Other strategies that would be adopted include increase in awareness and building an investor base; support to stakeholders in activities that will benefit the market; and lengthening of the sovereign yield curve. The office also disclosed that 11 corporate bonds have been issued between 1999 and 2005. Corporate bonds are bonds issued by corporations which are involved in financial, industrial and service-related industries and they usually have tenors between 3-10 years.
- ❖ The committee on Foreign Exchange by the Money Markets Dealers Association of Nigeria (“MMAN”) has agreed that the Inter-bank Foreign Exchange market will re-open 01 June 2009. The committee also agreed that the period of trading would be 9am to 2pm daily and the Volatility Band which was initially at 5% will be 3%. However, if the volatility band of 3% is attained for two consecutive days, the market will be shut to reconvene and discuss a way forward. The volatility band refers to the range of the maximum and minimum change in the foreign exchange rates.
- ❖ The Securities and Exchange Commission (“SEC”) recently approved the recommendation of the Committee on the Review of Capital Market Structure and Processes on the delinking of the Central Securities Clearing System Limited (“CSCS”). SEC revealed that it would liaise with the Nigeria Stock Exchange (“NSE”) and the CSCS to work out the details of the delinking exercise. This exercise would enable CSCS to be operationally independent from NSE while the service agreements between the two parties would be reviewed.

## STANBIC IBTC WEEKLY MONEY BULLETIN

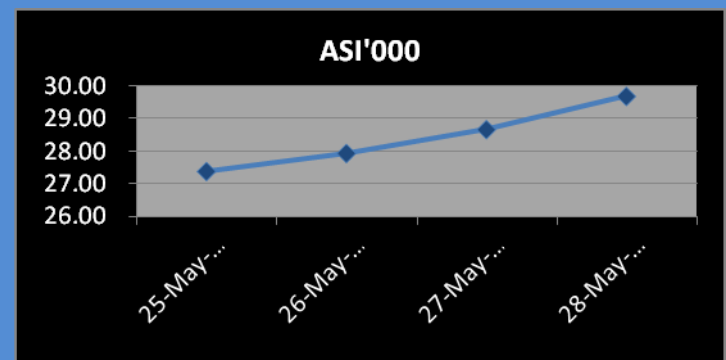
### MONEY MARKET UPDATE

- ✓ Outflow through FX last week was ₦65,813.02 million as against ₦81,975.11 million the previous week.
- ✓ OBB rate which closed the previous week with 8.00% yet remained at 8.00% last week
- ✓ Overnight rate which opened last week at 14.25% rose to close last week at 16.75%.
- ✓ There was net outflow of ₦39,250 million in the market last week as against ₦85,106 million which closed the market the previous week
- ✓ The Naira which closed the previous week at ₦148.10/\$1 yet closed last week at ₦148.17/\$1.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed last week at a gain of 10.05% compared to 8.84% the ASI returned the previous week. The month of May currently has a performance of 38.20%. Year – to – date performance now stands at -5.57%.
- ✓ Prestige Assurance Plc has proposed a dividend of ₦0.20k for the 2008 financial year. Closure date is 28-31 July 2009 while payment date is 10 August 2009.

### ASI FOR THE WEEK ENDED 28 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 Durosini-Etti

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

Date	Current Price (₦)
28 May 09	1.4343

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 28 MAY 2009**

Week 19	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
27 May 09	3.04	119	46.75	18.25
27 May 09	5.00	189	30.25	21.00

**KEY TO ABBREVIATIONS**

ASI	All Share Index
CBN	Central Bank of Nigeria
SEC	Securities and Exchange Commission
MMAN	Money Market Association of Nigeria
NOP	Net Open Position
NDIC	Nigeria Deposit Insurance Corporation
FG	Federal Government of Nigeria
CSCS	Central Securities Clearing Systems Limited
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 28 MAY 2009**

RDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
25 May 09	146.63	N/A	100.00	226.41	205.08
26 May 09	146.70		100.00	122.84	108.57
27 May 09	146.70		100.00	154.13	135.07
28 May 09	148.17		100.00	267.33	215.44
<b>Total</b>	<b>588.20</b>		<b>400.00</b>	<b>770.71</b>	<b>664.16</b>
<b>Average</b>	<b>147.05</b>	<b>N/A</b>	<b>100.00</b>	<b>192.68</b>	<b>588.20</b>

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 28 MAY 2009**

Week 19	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	28 - May	27 - May	26 - May	25 - May	22 - May
Call	16.7500	15.0000	14.6250	14.5833	14.2500
7-Day	17.4167	15.4600	15.1667	15.0000	14.8750
30-Day	17.8750	16.1667	15.9167	15.9583	16.2500
60-Day	18.3333	16.5000	16.0417	16.4583	16.7083
90-Day	18.6667	16.9167	16.5000	16.7083	16.8333
180-Day	18.9167	17.2917	16.9167	17.1250	17.2083
360-Day	19.0000	17.4167	17.0417	17.3750	17.3750

**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**

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