

Weekly Money Bulletin

06 JULY 2009

OUTLINE

- Key Developments
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KEY DEVELOPMENTS

- ❖ Fitch Ratings Agency has assigned a stable outlook for Nigeria for the 2009 fiscal year. It affirmed that the Long term foreign and local currencies Issuer Default Rating (“IDR”) are at “BB-” and “BB” respectively. Fitch also affirmed that the short term foreign IDR is at “B” while the country ceiling is at “BB-”. This rating is the same as that which was assigned for the 2008 fiscal year. A good sovereign balance sheet has been attributed to the BB- rating which represents a stable outlook, although it was weakened by a loss of \$16.59 billion in reserves since September 2008. The nation’s foreign reserve had dropped from \$61.98 billion in September 2008 to \$45.39 billion in May 2009.
- ❖ The Central Bank of Nigeria (“CBN”) has ordered that payment must be made to bona-fide holders of banker’s draft on demand except there is a conclusive proof that such banker’s draft has a forged endorsement. This order came as CBN noted that banks have been dishonoring their own drafts on the pretext that the current clearing house rule does not distinguish between cheques and bank drafts. The CBN clarified that the bank draft is a form of cheque which is payable on demand and therefore should not be subject to restrictive or conditional terms.
- ❖ Securities and Exchange Commission (“SEC”) recently released a set of proposed amendments to its draft Rules and Regulations. Among others, SEC is proposing a penalty of ₦100,000.00 for any company which fails to credit a shareholders account or dispatch the bonus certificate after 5 working days of approval by SEC. Also, for every day during the period of default, the company would be required to pay ₦5,000.00. The Commission is also proposing that public quoted companies should file their annual reports with SEC not later than 90 days after the financial year-end while quarterly and half year reports should be filled within 30 days after the end of the quarter. Such reports should contain signed balance sheet, income and cash-flow statements. Violation of this rule should attract ₦1 million fine and for everyday the default continues, such companies would pay ₦25,000.00. Another rule which is being proposed is that States and Local Governments that have issued bonds should publish in at least 2 national newspapers, their audited annual financial reports and the rating of the State or Local Government which must be reviewed annually. They are also expected to publish information on the utilization of the funds.
- ❖ Central Bank of Nigeria (“CBN”) has extended the deadline given to deposit money banks to redeploy all Automated Teller Machines (“ATM”) from public places. Banks now have till 31 August 2009 to comply with this directive as against 30 June 2009 which was earlier advised. CBN also said it would announce the procedure for registering and establishing an Automated Teller Machine (“ATM”) consortium. The CBN, on 07 April 2009, had directed that banks should establish two ATM consortia so as to effectively manage and operate offsite ATMs.

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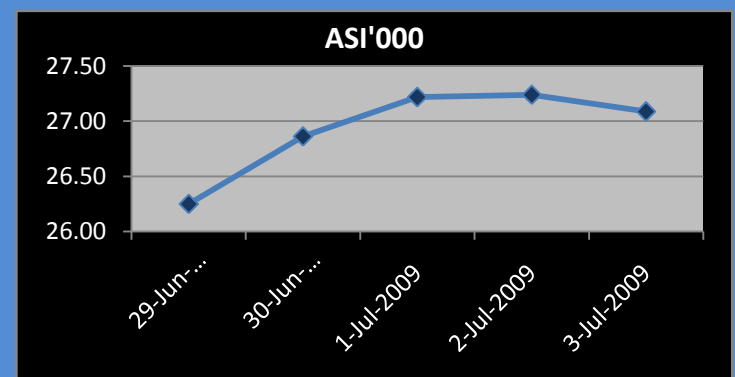
MONEY MARKET UPDATE

- ✓ There was a net inflow of ₦26.03 billion in the Open Market Operation and Treasury Bills market last week as against the previous week which witnessed a net outflow of ₦20.55 billion.
- ✓ A net outflow of ₦22.20 billion was witnessed through the FX market against ₦58.51 billion which was recorded in the previous week.
- ✓ The OBB rate which closed the previous week at 8.0% averaged at 7.5% last week.
- ✓ The overnight rate closed last week at 21.42% from 19.58% of the previous week.
- ✓ The Naira which closed the previous week at ₦146.76/\$1 dropped slightly to close last week at ₦146.70/\$1.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a positive net performance of 4.93%. Year-to-date performance rose to -13.88% from -17.92% in the previous week. Q3 and the month of July currently have a performance of 0.84%
- ✓ African Petroleum Plc released its audited financial statement for the year ended 31 December 2008. A dividend of ₦5.20k was proposed. Closure of register is 03 June to 09 July 2009 and payment date is 27 July 2009.

ASI FOR THE WEEK ENDED 03 JULY 2009



MARKET OUTLOOK FOR THE NEW WEEK

The money market is expected to be tight as there is no inflow expected.

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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. Fajemisin Eric

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

Date	Current Price (₦)
03 Jul 09	1.4375

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

Week 24	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
25 June 09	3.64	84	12.00	10.00
25 June 09	5.74	231	39.60	20.55

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
IDR	Issuer Default Ratings
ATM	Automated Teller Machine
FX	Foreign Exchange
GDP	Gross Domestic Product
SEC	Securities and Exchange Commission
PenCom	National Pension Commission
FG	Federal Government of Nigeria
ICM	International Capital Market
BA	Bankers Acceptance
CP	Commercial Paper
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
RDAS	Retail Dutch Auction System
NIBOR	Nigerian Interbank Offered Rate
CPI	Consumer Price Index

FOREX DEALS FOR THE WEEK ENDED 03 JULY 2009

RDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
29 Jun 09	146.70	N/A	150.00	104.14	81.29
01 Jul 09	146.70	N/A	150.00	72.99	70.07
Total	293.40	N/A	300.00	177.13	151.36
Average	146.70	N/A	150.00	88.57	75.68

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

Week 24	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
02-Jul-09	3.6400	91 days	12.8900	10.0000
02-Jul-09	5.6990	182 days	32.4700	20.3560
02-Jul-09	5.7500	364 days	69.0000	30.0000
Total	15.0890		114.3600	60.3560

TENOR	03 – July	02 – July	01 – July	30 - June	29 – June
Call	21.4167	21.2917	20.3333	30.3750	20.1250
7-Day	21.5833	21.1500	20.9417	20.9167	20.5000
30-Day	21.6250	21.4833	21.0833	21.4583	20.8333
60-Day	21.7083	21.7500	21.3333	21.5000	21.1250
90-Day	21.8750	21.8750	21.5417	21.7500	21.3750
180-Day	21.9083	21.9500	21.7083	21.7083	21.4167
365-Day	21.9617	21.9667	21.8750	21.8333	21.6667

STOP RATES ON THE 5TH & 6TH FGN BONDS

Issue Date	Tenor/ Years	Amt Offered (₦)Bn	Allotment (₦)Bn	Stop Rate (%)
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
18 Jun 2009	3	20.000	20.000	10.10
18 Jun 2009	5	10.000	10.000	10.70
18 Jun 2009	20	20.000	20.000	12.33



MoneyBulletin

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