

Weekly Money Bulletin 13 JULY 2009

OUTLINE

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KEY DEVELOPMENTS

- ❖ The Monetary Policy Committee (“MPC”) at its meeting which held on 07 July 2009 reached the following decisions: the Monetary Policy Rate (“MPR”) should be reduced to 6.00% from 8.00% with an interest rates corridor of +/- 200 basis points; the Central Bank of Nigeria (“CBN”) would provide a temporary guarantee for inter-bank exposures and Pension Funds Administrators (PFAs) placements from 08 July 2009 to 31 March 2010, if the guarantee crystallizes at 5.00% above the loan’s interest rate, guarantee fee will be charged; banks are to publish their accounts with sufficient disclosure by 31 March 2010 and banks are to bring down the lending rates in line with economic realities in order to meet the objectives of growth, financial stability and inflation control. In light of these, the Standing Lending Facility (“SLF”) and Standing Deposit Facility (“SDF”) rates will be at 8.00% and 4.00% respectively.
- ❖ The Securities and Exchange Commission (“SEC”) has issued a deadline of 20 July 2009 to all Capital Market Operators for the appointment and registration of their Compliance Officers. Capital Market Operators are to send the names of Compliance Officers who must be registered in line with the rule 158B of the SEC and Section 9 of the Money Laundering Prohibition Act of 2004. Failure to comply with the directive will attract an enforcement action.
- ❖ Central Bank of Nigeria (“CBN”) has released guidelines for operation of the Wholesale Dutch Auction System (“WDAS”). CBN said the WDAS which was re-introduced at the recently held Monetary Policy Committee meeting shall take effect from 13 July 2009. Some of the guidelines include: The amount on offer for each auction shall be announced at 8.30am every Monday and Tuesday; Authorized dealers should submit their bids which will be duly signed by two signatories on Monday and Wednesday between 9.00am and 10.00am; The minimum bid amount shall be \$100,000.00 and the currencies of transaction shall be the Naira and the United States Dollar. Successful bids shall be advised by 2.00pm on auction day; the rate that clears the market shall be the prevailing exchange rate for the period. Authorized dealers shall quote two-ways and display the buying and selling rates conspicuously in their banking halls. The spread between such buying and selling rates shall not exceed 50 kobo; Funds which are purchased from CBN shall be used for eligible transactions only and shall be transferrable in the inter-bank foreign exchange market.
- ❖ The Nigerian Stock Exchange (“NSE”) has revealed plans to increase the nominal value of shares on the Nigerian Capital Market to ₦1.00. The nominal value of shares is currently at 50 kobo and is planned to be changed as prices are reported in Naira terms instead of kobo. NSE said that this change will be effected in conjunction with the Securities and Exchange Commission (“SEC”) and the Corporate Affairs Commission (“CAC”).

STANBIC IBTC WEEKLY MONEY BULLETIN

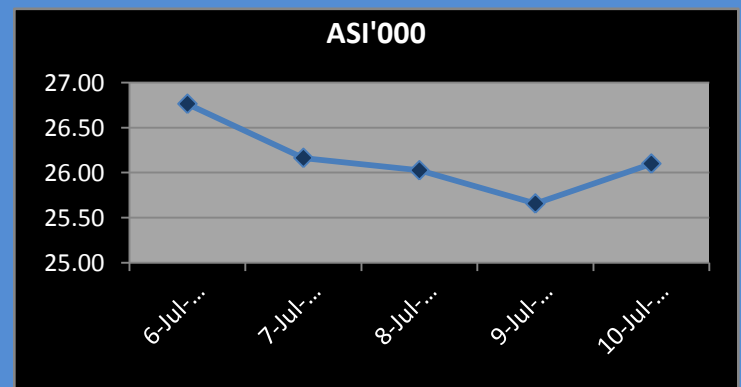
MONEY MARKET UPDATE

- ✓ There was a net inflow of ₦15.07 billion in the Open Market Operation and Treasury Bills market last week as against the previous week which witnessed a net outflow of ₦26.03 billion.
- ✓ A net outflow of ₦31.35 billion was witnessed through the FX market against ₦22.20 billion which was recorded in the previous week.
- ✓ The OBB rate remained at 8.0% all through last week.
- ✓ The overnight rate closed last week at 21.75% from 21.42% of the previous week.
- ✓ The Naira which closed the previous week at ₦146.70/\$1 dropped slightly to close last week at ₦146.00/\$1.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a negative net performance of 3.64%. Year-to-date performance fell to -17.01% from -13.88% in the previous week. The performance for the month of July is currently at -2.83%
- ✓ First Bank Plc released its audited financial statement for the period ended 31 March 2009. A dividend of ₦1.35k and a bonus of 1 for 6 were proposed. Closure of register is 20 July to 24 July 2009 and payment date is 24 July 2009.

ASI FOR THE WEEK ENDED 10 JULY 2009



MARKET OUTLOOK FOR THE NEW WEEK

The money market is expected to experience liquidity. Inflow from FAAC is expected, although, a bond auction of ₦60 billion is expected to hold during the week.

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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
10 JULY 2009**

Date	Current Price (₦)
10 Jul 09	1.4455

**DAILY OMO AUCTION
FOR THE WEEK ENDED 10 JULY 2009**

Week 25	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
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
FX	Foreign Exchange
SLF	Standing Lending Facility
SEC	Securities and Exchange Commission
SDF	Standing Deposit Facility
FG	Federal Government of Nigeria
RDAS	Retail Dutch Auction System
WDAS	Wholesale Dutch Auction System
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 10 JULY 2009

RDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
06 Jul 09	146.70	N/A	150.00	86.85	80.90
06 Jul 09	146.00	N/A	150.00	136.33	133.45
Total	292.70	N/A	300.00	223.18	214.35
Average	146.35	N/A	150.00	111.59	107.18

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 10 JULY 2009**

Week 25	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	10 – July	09 – July	08 – July	07 – July	06 – July
Call	21.7500	21.8333	21.7500	21.5833	21.6250
7-Day	21.7417	21.8250	21.7917	21.7917	21.7500
30-Day	21.6167	21.7417	21.7917	21.8117	21.6250
60-Day	21.7583	21.8833	21.8750	21.8333	21.8750
90-Day	21.9167	22.0000	22.0000	22.0000	22.0000
180-Day	22.0000	22.0000	22.0000	22.0000	21.9500
365-Day	22.0000	22.0000	22.0000	22.0000	21.9583

STOP RATES ON THE 5TH & 6TH FG N 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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