

## Weekly Money Bulletin 24 AUGUST 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The Federal Account Allocation Committee (“FAAC”) recently shared a total of ₦365.18 billion to all three tiers of the government for July 2009 as against ₦331.27 billion for the month of June 2009. A breakdown of the revenue allocation showed that ₦259.27 billion is the distributable statutory allocation while ₦27.27 billion was proposed for distribution from the excess crude proceeds account. ₦33.92 billion was recommended for distribution from Exchange gain while Value Added Tax of ₦44.72 billion was recommended. It is worthy of note that FAAC recently shared \$2 billion from the excess crude account according to the recommendation of the National Economic Council (“NEC”).
- ❖ The Federal Government (“FG”) recently raised ₦60 billion through the Debt Management Office (“DMO”). The 3-year, 5-year and 20-year FGN Bond were re-opened at DMO’s eighth auction this year which held on 19 August 2009. ₦20 billion each of these bonds were allotted with marginal rates of 8.099%, 8.99% and 10.749% respectively compared to marginal rates of 8.14%, 9.39% and 11.00% of the last auction which was held on 17 July 2009.
- ❖ Standard & Poor’s (“S&P”), an international rating agency has cut Nigeria’s foreign currency rating by one notch from BB to B+ while the local currency was dropped by two levels to B+ from BBB. The rating agency’s drop in Nigeria’s Sovereign rating was based on their perception that Nigeria has become less fiscally flexible after the Central Bank of Nigeria (“CBN”) injected \$2.6 billion into 5 domestic banks. S&P noted that the current situation would not lead to a balance-of-payment crisis.
- ❖ Nigeria’s total trade for the second quarter stood at ₦2.210 trillion according to the Nigeria Bureau of Statistics (“NBS”). This figure is an increase by ₦235.7 billion over the first quarter which was at ₦2.208 trillion and a 37.9% decline from the corresponding period of 2008 which was at ₦3.556 trillion. The value of import is currently put at ₦994.5 billion, a 3.84% increase over ₦957.7 billion of first quarter. On the other hand, the value of export stood at ₦1.215 trillion which is a 19.57% increase from the first quarter’s ₦1.016 trillion. Crude Oil export for the period stood at ₦1.0924 trillion while the value of the non-oil export was at ₦123.4 billion as against ₦735 billion and ₦54 billion of the previous quarter.

## STANBIC IBTC WEEKLY MONEY BULLETIN

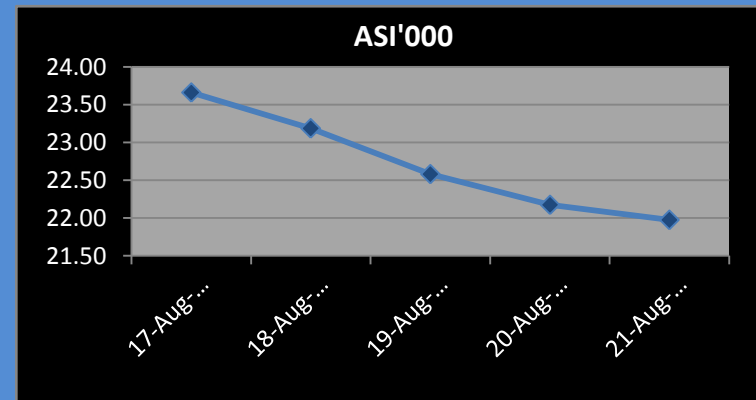
### MONEY MARKET UPDATE

- ✓ There was no inflow in the Treasury Bills market as against the net inflow of ₦40.11 billion in the previous week.
- ✓ The FX market witnessed a net outflow of ₦89.10 billion against ₦98.68 billion of the previous week.
- ✓ The OBB rate which closed the previous week with 8.0% dropped significantly to 4.0%.
- ✓ Overnight rates dropped from 19.38% of the previous week to 6.42%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦150.06 rose to close last week at ₦150.32.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a net performance of -9.34%, compared to -4.51% of the previous week. Year-to-date performance of the ASI now stands at -30.13%.
- ✓ Ikeja Hotel Plc released its audited result for the financial year which ended on 31 December 2008. A bonus of 1 for 5 was proposed with closure date of 14 September 2009.

### ASI FOR THE WEEK ENDED 21 AUGUST 2009



### MARKET OUTLOOK FOR THE NEW WEEK

Money market is expected to remain liquid due to the volume of funds that came into the system last week. CBN injected ₦400 billion as relief fund to 5 banks and ₦365 billion came in from FAAC.

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#### Board of Directors

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**IBTC RSA FUND PRICE FOR THE WEEK ENDED  
21 AUGUST 2009**

Date	Current Price (₦)
21 Aug 09	1.4428

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 21 AUGUST 2009**

Week 31	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
S&P	Standard & Poor's Ratings
YTD	Year To Date
FX	Foreign Exchange
NBS	Nigerian Bureau of Statistics
GDP	Gross Domestic Product
WDAS	Wholesale Dutch Auction System
FG	Federal Government of Nigeria
FAAC	Federal Account Allocation Committee
DMO	Debt Management Office
NEC	National Economic Council
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
WDAS	Wholesale Dutch Auction System
NIBOR	Nigerian Interbank Offered Rate

**FOREX DEALS FOR THE WEEK ENDED 21 AUGUST 2009**

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
17 Aug 09	150.27	N/A	300.00	422.30	300.00
19 Aug 09	150.32	N/A	300.00	292.86	292.86
<b>Total</b>	<b>300.59</b>	<b>N/A</b>	<b>600.00</b>	<b>715.16</b>	<b>592.86</b>
<b>Average</b>	<b>150.30</b>	<b>N/A</b>	<b>300.00</b>	<b>357.58</b>	<b>296.43</b>

**STOP RATES ON THE 5<sup>TH</sup> & 6<sup>TH</sup> FGN BONDS**

Issue Date	Tenor/ Years	Amt Offered (₦)Bn	Allotment (₦)Bn	Stop Rate (%)
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 June 2009	3	20.000	20.000	10.10
18 June 2009	5	10.000	10.000	10.70
18 June 2009	20	20.000	20.000	12.33
17 July 2009	3	20.000	20.000	8.14
17 July 2009	5	20.000	20.000	9.39
17 July 2009	20	20.000	20.000	11.00
19 Aug 2009	3	20.000	20.000	8.099
19 Aug 2009	5	20.000	20.000	8.99
19 Aug 2009	20	20.000	20.000	10.749

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 21 AUGUST 2009**

Week 31	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
12-Aug-09	4.7000	91 days	15.5136	15.1105
12-Aug-09	5.4000	182 days	46.7548	30.0000
12-Aug-09	5.6000	364 days	70.2511	30.0000
<b>Total</b>	<b>15.7000</b>		<b>132.5195</b>	<b>75.1105</b>

TENOR	21 - Aug	20 - Aug	19 - Aug	18 - Aug	17 - Aug
Call	6.4167	4.9583	8.9167	9.5000	9.5833
7-Day	8.7083	7.8250	10.2500	10.9167	10.8333
30-Day	13.0833	10.1167	12.2500	12.6667	12.3333
60-Day	14.1250	11.3333	13.5000	13.8333	13.0417
90-Day	14.9167	11.8750	14.5417	14.7917	13.5417
180-Day	15.2917	12.2167	14.8333	15.4583	13.9167
365-Day	15.6667	12.2167	15.2917	15.9167	14.7917


**MoneyBulletin**

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