

## Weekly Money Bulletin 31 AUGUST 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The Central Bank of Nigeria (“CBN”) recently confirmed that federal revenue for the second quarter of 2009 was at ₦1.044 trillion. This represents a decline of 21.20% from ₦1.27 trillion budgeted and an 11.6% decline from ₦1.17 trillion of the first quarter. A breakdown of the total revenue shows that Oil receipts which represents 66.67% of the total federal revenue dropped to ₦696.61 billion from ₦817.12 billion of the first quarter. On the other hand, the non-oil receipts which accounts for 33.33% of the total revenue rose to ₦384.29 billion from ₦338.89 from the preceding quarter. Fall in oil prices and militant activities attributed to the dip in oil receipts.
- ❖ The Financial Market Dealers Association (“FMDA”) recently disclosed that it is working in conjunction with the Nigerian Stock Exchange (“NSE”) to introduce a retail window for the bond market. The association said that it would ensure tradability of bonds at the commencement of the process as retail volumes would be traded on the floor of the exchange while large volumes would be reserved for the Over-the-Counter (“OTC”) market. Introduction of the retail window is aimed at encouraging better participation and enhancing vibrancy of the bonds market. Some of the benefits of bond trading which were mentioned include the flexibility of bond tenors which allow for matching instruments to avoid liquidity crisis.
- ❖ The consolidated Federal Government debt for Nigeria by 30 June 2009 stood at ₦3.36 trillion as against ₦2.99 trillion recorded as at the end of March 2009. The total debt for the second quarter comprises of ₦2.81 trillion domestic debt and ₦551.27 billion external debt. The rise in the debt was accounted for by issuance the FGN Bond, increase in treasury bills and the depreciation of the currency’s exchange rate. In the same light, FG stated that its overall deficit in the second quarter of 2009 was at ₦382.23 billion as against ₦57.96 billion of the first quarter.
- ❖ The Central Bank of Nigeria has revealed it lent ₦10 trillion to banks in the second quarter of 2009 to fund their operations as against ₦9 trillion which it lent in the preceding quarter. CBN also stated that Deposit Money Banks (“DMB”) and Discount Houses continued to access the standing lending facility while the interest payment on overnight deposits remained at 0%. The total lending facility granted to the DMBs in the second quarter stood at ₦10.30 trillion as against ₦7.89 trillion of the first quarter. The currency in circulation dropped by 2.85% from ₦1.04 trillion in March 2009 to ₦1.01 trillion in June 2009.

## STANBIC IBTC WEEKLY MONEY BULLETIN

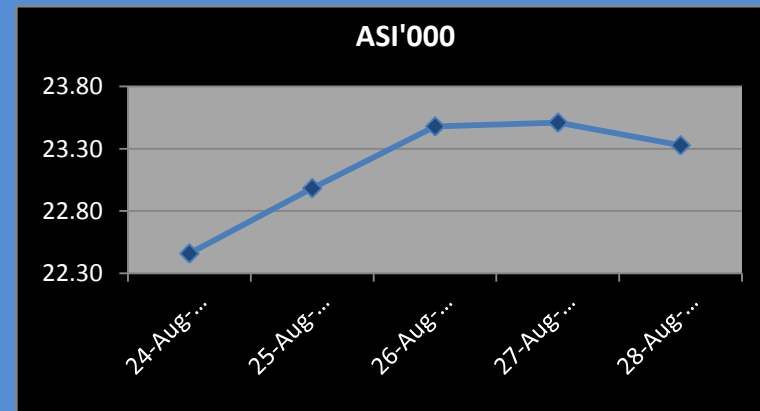
### MONEY MARKET UPDATE

- ✓ There inflow of ₦15.11 billion in the Treasury Bills market.
- ✓ The FX market witnessed a net outflow of ₦90.32 billion against ₦89.10 billion of the previous week.
- ✓ The OBB rate closed the week at 4.0%.
- ✓ Overnight rates dropped from 6.42% of the previous week to 4.54% due to inflow of ₦150.6 billion from excess crude account and ₦95 billion from the Agric fund.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦150.32 rose to close last week at ₦150.53.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a net performance of 6.16%, compared to -9.34% of the previous week. Year-to-date performance of the ASI now stands at -25.83%.
- ✓ Diamond Bank Plc released its audited result for the financial year which ended on 30 April 2009. A dividend of 9 kobo was proposed with closure date of 14 - 17 September 2009 and payment date of 28 September 2009.

### ASI FOR THE WEEK ENDED 28 AUGUST 2009



### MARKET OUTLOOK FOR THE NEW WEEK

Money market is expected to remain liquid due to the Agric Scheme fund and Excess Crude fund that hit the system last week. The Monetary Policy Committee is expected to meet this week.

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#### Board of Directors

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

Date	Current Price (₦)
28 Aug 09	1.4574

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

Week 32	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
FMDA	Financial Market Dealers Association
YTD	Year To Date
FX	Foreign Exchange
OTC	Over-the-Counter
GDP	Gross Domestic Product
WDAS	Wholesale Dutch Auction System
FG	Federal Government of Nigeria
NSE	Nigerian Stock Exchange
DMO	Debt Management Office
NEC	National Economic Council
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
DMB	Deposit Money Banks
NIBOR	Nigerian Interbank Offered Rate

**FOREX DEALS FOR THE WEEK ENDED 28 AUGUST 2009**

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
26 Aug 09	150.46	N/A	300.00	338.60	300.00
28 Aug 09	150.60	N/A	300.00	467.56	300.00
<b>Total</b>	<b>301.06</b>	<b>N/A</b>	<b>600.00</b>	<b>806.16</b>	<b>600.00</b>
<b>Average</b>	<b>150.53</b>	<b>N/A</b>	<b>300.00</b>	<b>403.08</b>	<b>300.00</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 28 AUGUST 2009**

Week 32	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
27-Aug-09	4.8000	91 days	17.0660	15.1060
27-Aug-09	5.5000	182 days	19.4720	15.0000
<b>Total</b>	<b>10.3000</b>		<b>36.5380</b>	<b>30.1060</b>

TENOR	28 - Aug	27 - Aug	26 - Aug	25 - Aug	24 - Aug
Call	4.5417	4.2083	6.1667	8.7083	8.0833
7-Day	8.3333	7.5833	9.5833	11.5417	10.8750
30-Day	13.2500	11.0833	13.6667	14.9582	14.3750
60-Day	14.1250	12.2083	14.3750	15.7083	15.3750
90-Day	14.8333	13.0417	14.9167	16.2500	15.9583
180-Day	15.5417	14.0417	15.5417	16.7082	16.3333
365-Day	16.0417	15.0417	15.8750	17.2500	16.8333


**MoneyBulletin**

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