

Weekly Money Bulletin 07 SEPTEMBER 2009

OUTLINE

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

KEY DEVELOPMENTS

- ❖ The Federal Government has set November 2009 as a definite date to proceed with the full deregulation of prices of petrol in Nigeria. The policy, when implemented, will leave the price of petrol subject to market prices as is currently the case with diesel. In line with this deregulation plan, the Federal Government will from that date, discontinue the uniform pricing of petroleum products, scrap the Petroleum Support Fund (PSF), as well as stop the issuance of license for importation of refined products. The Petroleum Products Pricing Regulatory Authority (PPPRA) which is currently the agency responsible for monitoring and regulating prices of petroleum products in the country, will cease to determine fuel prices and would instead focus on quality control and enforcement of standards.
- ❖ At the Monetary Policy Committee meeting of the Central Bank of Nigeria (CBN) held within the week, the Monetary Policy Rate (MPR) which is the anchor rate at which the CBN lends to banks was retained at 6.0%, with the interest rate corridor around the MPR also retained at 2.0%. An approval in principle was also given for the establishment of an Asset Purchase Facility Fund for effective liquidity injection and credit easing targeted at specific areas of the economy. The Asset Purchase Facility Fund is meant to buy over the debts of the troubled banks while it attempts to recover them.
- ❖ The Central Bank of Nigeria (CBN) has reiterated that there are no plans to nationalize any bank in Nigeria as no bank would be allowed to fail. According to the CBN, the ₦420 billion recently injected into five banks in Nigeria is neither equity nor a bailout by government but a normal central banking function of lender of last resort to the banks. The money which would be paid back to the CBN at a premium is a loan to the banks to improve their liquidity and enable them meet their obligations.
- ❖ The economic report of the Central Bank of Nigeria (CBN) reveals that the nation's economy grew by 5.13% in the second quarter of this year, compared to 4.85% in the first quarter of the year. This growth in GDP was mainly driven by the non-oil sector, particularly agriculture which constituted 43.9% of the total GDP and contributed 2.4% to the growth in real GDP.

STANBIC IBTC WEEKLY MONEY BULLETIN

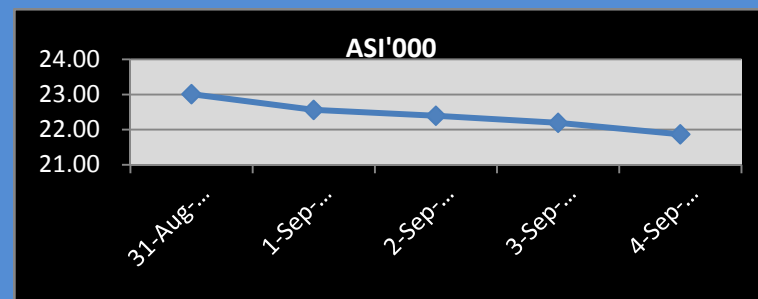
MONEY MARKET UPDATE

- ✓ There was a net inflow of ₦25 billion last week in the Treasury Bills Market against a net outflow of ₦30.11 billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦90.68 billion against ₦90.32 billion of the previous week.
- ✓ The OBB rate remained stable at 4.0% throughout the week, same as last week.
- ✓ Overnight rates remained at 4.5417%, a rate which it closed the previous week.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦150.60, rose to close last week at ₦151.37.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 6.26%, compared to 6.16% gained in the previous week. Year-to-date performance of the ASI now stands at -30.48%.
- ✓ Cement Company of Northern Nigeria (CCNN) released its audited result for the half year ended 30 June 2009. An interim dividend of 80 kobo was declared with closure date of 4 September 2009 and payment expected on 7 September 2009.

ASI FOR THE WEEK ENDED 04 SEPTEMBER 2009



MARKET OUTLOOK FOR THE NEW WEEK

Money market rates are expected to remain stable as liquidity persists, even though it is expected to inch up slightly towards the end of the week as FX sales mop-up some liquidity.

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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
04 SEPTEMBER 2009**

Date	Current Price (₦)
31 July 09	1.4498

**DAILY OMO AUCTION
FOR THE WEEK ENDED 04 SEPT 2009**

Week 07	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
SEC	Securities and Exchange Commission
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
GDP	Gross Domestic Product
PPPRA	Petroleum Products Pricing Regulatory Agency
FG	Federal Government of Nigeria
MPR	Monetary Policy Rate
GDP	Gross Domestic Product
PFA	Pension Fund Administrator
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
WDAS	Wholesale Dutch Auction System
NIBOR	Nigerian Interbank Offered Rate
PSF	Petroleum Support Fund

FOREX DEALS FOR THE WEEK ENDED 04 SEPT 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
31 Aug 09	150.91	N/A	300.00	467.00	300.00
02 Sept 09	151.37	N/A	300.00	447.70	300.00
Total	302.28	N/A	600.00	600.00	600.00
Average	151.14	N/A	300.00	-	300.00

STOP RATES ON THE 5TH & 6TH FGN BONDS

Issue Date	Tenor/ Years	Amt Offered (₦Bn)	Allotment (₦Bn)	Stop Rate (%)
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
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 04 SEPT 2009**

Week 28	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
Total	10.3000		36.5380	30.1060

TENOR	04 - Sept	03 - Sept	02 - Sept	01 - Sept	31 - Aug
Call	4.5417	4.4167	4.3750	4.2917	4.6217
7-Day	7.2083	6.7917	7.0412	6.7500	8.2500
30-Day	12.4167	11.9167	11.1250	10.6250	12.6250
60-Day	13.4167	13.0000	12.4583	11.2083	13.8283
90-Day	14.6667	13.8750	13.4167	11.7083	14.7483
180-Day	15.2917	14.7500	14.2083	12.4167	15.5417
365-Day	15.7500	15.2500	14.5417	12.8333	16.0417

