

## Weekly Money Bulletin 14 SEPTEMBER 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ Nigeria's economy was recently ranked 99<sup>th</sup> by the World Economic Forum ("WEF") among 133 countries which were assessed in the Global Competitiveness Report 2009-2010. Nigeria's ranking went down five places from the 94<sup>th</sup> position which it ranked in 2008-2009. The country's economy was characterized by weak institutions at the 102<sup>nd</sup> rank, in security 117<sup>th</sup>, while it was ranked 120<sup>th</sup> in government spending. However, the greatest area of strength as observed by the WEF is in the macroeconomic environment where Nigeria was the 20<sup>th</sup> among other nations, the large market which provided Nigerian companies with opportunities for economies of scale was also an advantage to the country as it ranked 42<sup>nd</sup> in this aspect. Overall, Switzerland was rank 1<sup>st</sup>, the United States 2<sup>nd</sup> while Singapore was 3<sup>rd</sup>. Other African countries ranked include South Africa 45<sup>th</sup>, Botswana 66<sup>th</sup> and Ghana 114<sup>th</sup>. The WEF is a non-profit organization based in Geneva; it brings together yearly, business and political leaders, selected intellectuals and journalist to discuss health, business and environmental issues facing the world. This ranking was derived from a poll of 13,000 business leaders from around the world.
- ❖ In a bid to deepen the bond market, the Central Bank of Nigeria ("CBN") has removed limits to banks' investment in the bond market. The CBN recently granted an approval in principle ("AIP") to remove the 10% limit which was placed on banks' participation in Bonds offers. This is also to enable banks to invest substantially in the bond market. Prior to this AIP, banks were restricted to only 10% of any issue. This agreement by the CBN is an outcome of discussions with relevant government agencies on measures in reviving the bond market.
- ❖ The Securities and Exchange Commission ("SEC") has declared that it is undertaking an on-site target inspection of the Nigerian Stock Exchange ("NSE") and all registered brokerage firms and Issuing Houses. This exercise is a follow-up on the off-site reports which are submitted periodically by firms to the commission. SEC said that the inspection is in the collective effort to ensure continued stability, transparency and efficiency in the capital market. It should be noted that the Commission recently discontinued both the periodic renewal of registration by capital market operators and the mandatory underwriting requirement for primary market offers.
- ❖ The deadline which was given to Deposit Money Banks ("DMB") by the Central Bank of Nigeria ("CBN") to relocate all offsite Automated Teller Machine ("ATM") has been extended to 31 March 2010 from 31 August 2009. The extension is to ensure proper commencement of operation of the emerging consortia. The CBN is currently facilitating appointment of more ATM Consortia ("ATMC") so as to implement the current policy of redeploying offsite ATMs.

## STANBIC IBTC WEEKLY MONEY BULLETIN

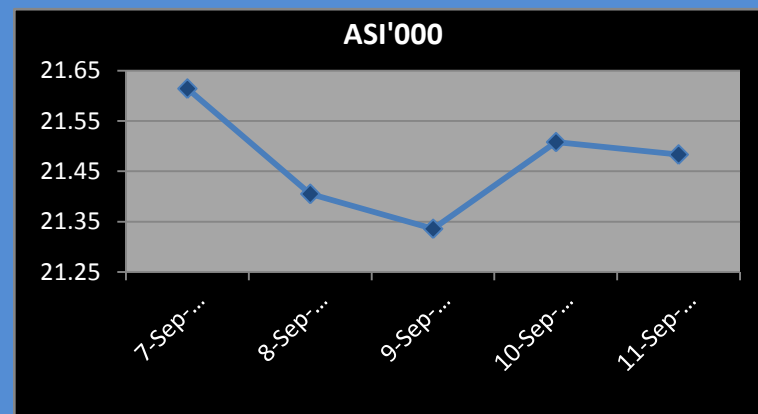
### MONEY MARKET UPDATE

- ✓ There was a net outflow of ₦65 billion last week in the Treasury Bills Market against a net inflow of ₦25 billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦79.86 billion against ₦90.68 billion of the previous week.
- ✓ The OBB rate which remained stable at 4.0% throughout the week rose to close last week at 8.0%.
- ✓ Overnight rates which remained at 4.5417% in the previous week, also rose to close the week at 12.79%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦151.37 rose to close last week at ₦151.91.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 1.75%, compared to -6.26% gained in the previous week. Year-to-date performance of the ASI now stands at -31.69%.
- ✓ Guinness Nigeria Plc released its audited result for the year ended 30 June 2009. A dividend of ₦7.50 was proposed with closure date of 02 October 2009 to 16 October 2009 and payment expected on 04 November 2009.

### ASI FOR THE WEEK ENDED 11 SEPTEMBER 2009



### MARKET OUTLOOK FOR THE NEW WEEK

Money market rates are expected to go up as there are no inflows expected this week. FAAC is expected to meet this 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  
11 SEPTEMBER 2009**

Date	Current Price (₦)
11 Sept 09	1.4547

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 11 SEPT 2009**

Week 34	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
AIP	Approval in Principle
DMB	Deposit Money Bank
FG	Federal Government of Nigeria
ATMC	Automated Teller Machine Consortia
WEF	World Economic Forum
ATM	Automated Teller Machine
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 11 SEPT 2009**

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
07 Sept 09	151.81	N/A	300.00	373.88	300.00
09 Sept 09	151.91	N/A	300.00	225.93	225.93
<b>Total</b>	<b>303.72</b>	<b>N/A</b>	<b>600.00</b>	<b>599.81</b>	<b>525.93</b>
<b>Average</b>	<b>151.86</b>	<b>N/A</b>	<b>300.00</b>	<b>303.712</b>	<b>262.97</b>

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 11 SEPT 2009**

Week 34	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
10-Sep-09	4.7990	91 days	22.6815	15.0000
10-Sep-09	5.6900	182 days	38.5045	30.0000
10-Sep-09	5.6000	364 days	54.0001	30.0000
<b>Total</b>	<b>16.0890</b>		<b>115.1861</b>	<b>75.0000</b>

TENOR	11 - Sept	10 - Sept	09 - Sept	08 - Sept	07 - Sept
Call	12.7917	11.4583	9.0147	7.8333	5.9583
7-Day	14.2083	13.0000	10.8333	9.4167	7.8667
30-Day	16.5000	15.6250	15.1667	14.6667	13.2917
60-Day	16.8333	16.3333	16.0417	15.5417	14.2917
90-Day	17.5000	17.0000	16.8750	16.2500	15.1667
180-Day	17.8333	17.3750	17.1667	16.5417	15.5000
365-Day	18.0417	17.7917	17.5000	16.9167	16.0000

**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 (%)
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


**MoneyBulletin**

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