

## Weekly Money Bulletin

23 SEPTEMBER 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ As part of efforts to solve Nigeria's lingering power problems, the Federal and States Governments are in exploratory discussions to scrap the national grid and change the power policy. If implemented, this would imply that States and Local Governments would operate independent grids and power generated will no longer be required to go through the national grid. Some State Governments have been generating power but outputs have been slowed by requirements that all generation go through the national grid. States governments that currently have power projects include Lagos, Delta, Rivers and Akwa-Ibom States, among others. This new policy would also allow private organizations to build and operate localized power grids or distribution system of their own.
- ❖ The Central Bank of Nigeria ("CBN") revealed that it has concluded arrangements to issue 1.9 billion units of new polymer notes of the ₦5, ₦10 and ₦50 notes. The new notes are expected to be issued on 30 September 2009 while the existing denominations of the paper notes will remain legal tender and continue to circulate for the next six months. 1.5 billion units of the notes would be printed abroad while 415 million would be printed by the National Security Printing and Minting Company Plc ("NSPMC"). The CBN said that the printing of polymer banknotes would cost 1.8 times more than paper notes but the polymer notes lasts 4 times longer, hence reducing the cost of currency production by half. It is worthy of note that four lower banknotes of the Naira were redesigned and issued into circulation on 28 February 2007 under the CBN's currency restructuring programme.
- ❖ According to the National Bureau of Statistics ("NBS"), the year-on-year Consumer Price Index ("CPI") dropped to 11.0% in August 2009 from 11.1% which was recorded in July 2009. The prices of all items except farm produce rose by 0.5% in August as against 1.5% which was recorded for July, while the food index rose by 1.1% as against 2.4% of the previous month. NBS also stated that the percentage change in CPI for the 12-month period ended August 2009 was 13.3% compared to 13.4% which was the percentage change for the 12-month period ended July 2009.
- ❖ The Federal Government recently raised ₦60 billion through the Debt Management Office. The 3-year, 5-year and 20-year FGN Bonds were re-opened at the DMO's ninth auction this year held on 18 September 2009. ₦20 billion of the 3-year FGN Bond was allotted at a marginal rate of 7.8750%, while ₦14 billion and ₦26 billion worth of the 5-year and 20-year FGN Bonds were allotted at marginal rates of 8.1440% and 10.3899% respectively. At the last auction held on 19 August 2009, the marginal rates for the 3-year, 5-year and 20-year bonds were 8.099%, 8.99% and 10.749% respectively.

## STANBIC IBTC WEEKLY MONEY BULLETIN

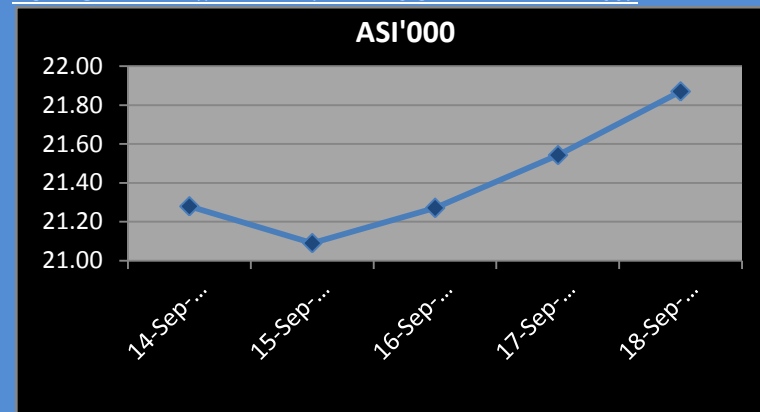
### MONEY MARKET UPDATE

- ✓ There was a net outflow of ₦1.6 billion last week in the Treasury Bills Market against a net outflow of ₦65 billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦75.50 billion against ₦79.86 billion of the previous week.
- ✓ The OBB rate dropped to close the week at 7.25% from 8.0% of previous week.
- ✓ Overnight rates which closed the previous week at 12.79% dropped to close the week at 10.67% due to the inflow of ₦170 billion from FAAC.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦151.91 dropped to close last week at ₦151.61.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 1.80%, compared to -1.75% recorded in the previous week. Year-to-date performance of the ASI now stands at -30.46%.
- ✓ Nigeria Ropes Plc released its audited result for the year ended 31 December 2008. A dividend of 7.50 kobo was proposed with closure date of 27 October 2009 to 02 November 2009 while the payment date will be advised.

### ASI FOR THE WEEK ENDED 18 SEPTEMBER 2009



### MARKET OUTLOOK FOR THE NEW WEEK.

Money market rates are expected to drop as FAAC approved ₦346.24 billion last week out of which ₦170 billion hit the system. The balance is expected to hit the system this week.

This publication is for information purposes only. The Stanbic IBTC Group and its employees make no representations as to the accuracy and completeness of the information contained in this bulletin. We therefore accept no liability for any loss arising from the use of such information. Enquiries in relation to any of the matters herein may be directed to Ayodele Allu or Ndubuisi Obike on +234-1-2716023 (DL) or +234-1-2716000 ext. 1417 or 1400 respectively.

#### 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  
18 SEPTEMBER 2009**

Date	Current Price (₦)
18 Sept 09	1.4684

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 18 SEPT 2009**

Week 35	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
NBS	National Bureau of Statistics
NSPMC	National Security Printing and Minting Company Plc
FG	Federal Government of Nigeria
ATMC	Automated Teller Machine Consortia
WEF	World Economic Forum
CPI	Consumer Price Index
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 18 SEPT 2009**

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
14 Sept 09	151.81	N/A	300.00	257.00	257.42
16 Sept 09	151.61	N/A	300.00	240.26	240.26
<b>Total</b>		<b>N/A</b>	<b>600.00</b>	<b>497.26</b>	<b>497.68</b>
<b>Average</b>	<b>151.71</b>	<b>N/A</b>	<b>300.00</b>	<b>303.42</b>	<b>248.84</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 (%)
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
18 Sep 2009	3	20.000	20.000	7.8750
18 Sep 2009	5	14.000	14.000	8.1440
18 Sep 2009	20	26.000	26.000	10.3899

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 18 SEPT 2009**

Week 35	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
17-Sep-09	5.7015	91 days	19.9495	16.6486
<b>Total</b>			<b>19.9495</b>	<b>16.6486</b>

TENOR	18 - Sept	17 - Sept	16 - Sept	15 - Sept	14 - Sept
Call	10.6667	15.0000	14.5000	14.1667	13.1250
7-Day	11.7083	14.7917	14.7917	14.5000	14.1667
30-Day	14.4167	16.0833	15.0000	16.2083	15.6250
60-Day	15.2917	16.5417	16.5417	16.8333	16.5000
90-Day	15.7083	17.0833	16.9169	17.3333	16.7917
180-Day	16.2917	17.2917	17.4583	17.5833	17.1250
365-Day	16.7500	17.5417	17.8333	17.9167	17.4167



**MoneyBulletin**

Head Office: The Wealth House, 1678 Olakunle Bakare Close, Off Sanusi Fafunwa Street  
Victoria Island Lagos Nigeria  
Telephone: +234-1-2801255 Facsimile: +234-1-2716021/2  
E-mail: pensionmanagers@stanbicibtcpension.com