

Weekly Money Bulletin 05 OCTOBER 2009

OUTLINE

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KEY DEVELOPMENTS

- ❖ The Central Bank of Nigeria (CBN) recently completed the examination of the remaining 14 banks that were not included in the first round of the examination concluded in August 2009. 4 of the banks - Bank PHB, Equitorial Trust Bank, Spring Bank and Wema Bank- were considered to be in a poor state while Unity Bank was adjudged to have insufficient capital, although considered to have a healthy position. 10 banks however, came with a clean bill of health; they include Stanbic IBTC Bank, Access Bank, Skye Bank and Ecobank. The CBN, in a bid to correct the situation has replaced the Managing Directors of Bank PHB, Equitorial Trust Bank and Spring Bank and removed all the Executive and Non-Executive Directors of the banks while Wema and Unity Banks were given till 30 June 2010 to recapitalize. In a related development, the presidency has directed fast-tracking of the establishment process of the Asset Management Company. The Asset Management company is to facilitate improvement of liquidity and protection of earnings in the banking sector
- ❖ The International Monetary Fund (IMF) stated that Nigeria, among other crude oil exporters in Africa, will experience a slowdown in its economic growth in 2009. IMF predicted that Nigeria's real Gross Domestic Product (GDP) growth rate would drop to 2.9% in 2009 from 6.0% in 2008 and 7% in 2007. The real GDP is expected to climb up in 2010 to 5.0%. However, according the Central Bank of Nigeria (CBN) Economic Report for the first half of 2009, the GDP's growth has slowed to 4.5%. The slowdown in the growth has been attributed to the fall in oil production in the country, slump in oil prices and financial market's stress.
- ❖ In a bid to generate more income for Nigeria, the country is considering setting up of a Sovereign Wealth Fund (SWF) with its reserve which is currently put at \$42 billion. Sovereign Wealth Funds are pools of money derived from a country's reserves which are set aside for investment purposes for the benefit of the country's economy. The types of acceptable investments included in each Sovereign Wealth Fund vary among countries.
- ❖ The Federal Account Allocation Committee (FAAC) shared a total ₦352 billion to all three tiers of the government for August 2009 as against ₦65.18 billion for the month of July 2009. A breakdown of the revenue allocation showed that ₦203.47 billion was the distributable statutory allocation while ₦87.72 was distribution from foreign excess crude savings account. ₦20.57 billion was from the Exchange gain difference while ₦40.44 billion was from the Value Added Tax.

STANBIC IBTC WEEKLY MONEY BULLETIN

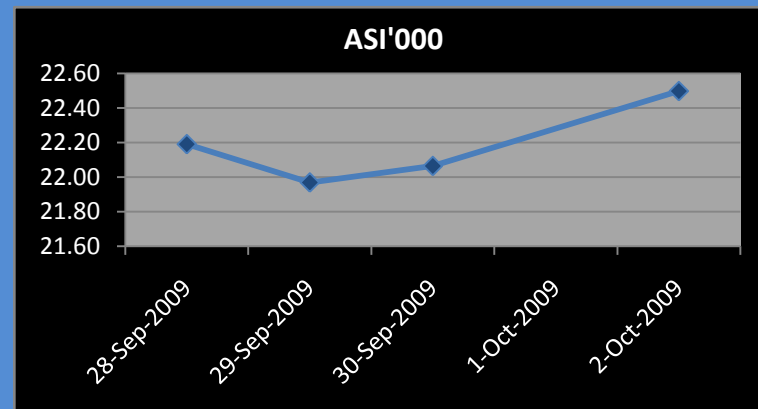
MONEY MARKET UPDATE

- ✓ There was a net outflow of ₦38.9 billion last week in the Treasury Bills Market against ₦30 billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦29.59 billion against ₦38.02 billion of the previous week.
- ✓ The OBB rate remained at 8.0% all through the week.
- ✓ Overnight rates which closed the previous week at 12.79% dropped to close the week at 10.79%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦151.01 closed last week at ₦147.32.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 0.74%, compared to 2.11% recorded in the previous week. Year-to-date performance of the ASI now stands at -28.47%.
- ✓ The price of Guinness Nigeria Plc was marked down for its ₦7.50 dividend during the week. Payment date is 02 November 2009.

ASI FOR THE WEEK ENDED 02 OCTOBER 2009



MARKET OUTLOOK FOR THE NEW WEEK.

Improved investors' confidence as a result of the recent conclusion of the banks' audit is expected to increase liquidity in the market and keep it on a bullish trend.

The money market is expected to experience liquidity as ₦200 billion bailout funds for bank and \$2 billion excess crude fund is expected to hit the system 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
02 OCTOBER 2009**

Date	Current Price (₦)
02 Oct 09	1.4768

**DAILY OMO AUCTION
FOR THE WEEK ENDED 02 OCT 2009**

Week 37	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
02 Oct 09	-	-	-	-

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
IMF	International Monetary Fund
NDIC	Nigeria Deposit Insurance Corporation
FG	Federal Government of Nigeria
NAICOM	National Insurance Commission
WEF	World Economic Forum
GDP	Gross Domestic Product
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 02 OCT 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
28 Sept 09	149.51	N/A	300.00	146.00	126.00
30 Sept 09	147.32	N/A	300.00	73.00	73.00
Total		N/A	600.00	219.00	199.00
Average	148.42	N/A	300.00	109.50	148.42

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 02 OCT 2009**

Week 37	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
30-Sep-09	5.9900	91 days	39.48	18.90
30-Sep-09	7.3000	182 days	41.45	30.00
Total			80.93	48.90

STOP RATES ON THE 5TH & 6TH 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

TENOR	02 - Oct	30 - Sept	29 - Sept	28 - Sept	25 - Sept
Call	10.7917	10.2500	10.2500	11.7500	11.5833
7-Day	12.4167	12.0417	11.9583	13.2500	12.9583
30-Day	15.0417	14.5833	14.8333	15.8333	15.9167
60-Day	16.0000	16.0000	15.6667	16.5000	16.9583
90-Day	16.4583	16.2500	16.1667	17.0833	17.2917
180-Day	16.9583	16.7917	16.7083	17.3333	17.5417
365-Day	17.3333	17.2083	17.0000	17.6250	17.7500



MoneyBulletin

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