

Weekly Money Bulletin 12 OCTOBER 2009

OUTLINE

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KEY DEVELOPMENTS

- ❖ The Federal Government has confirmed that its policy of deregulation of the downstream sector of the oil industry is effective 01 November 2009. This take-off implies that Premium Motor Spirit (PMS), also called petrol, may be sold as ₦95.21 per liter as against the current retail price of ₦65. In a related development, approvals for fuel importation by major petroleum products marketers and other licensed importers have been withheld by the government on the ground that Nigerian National Petroleum Corporation (NNPC) is now in a position to meet the demand for petroleum products.
- ❖ The Debt Management Office (DMO) recently released FGN Bond Issuance Calendar for the fourth quarter of 2009. On 21 October 2009, a total of ₦49.44 billion worth of bonds would be auctioned – ₦20 billion of the 3-year bond while ₦10 billion and ₦19.44 billion respectively of 10-year and 20-year bonds. A total of ₦65 billion worth of bonds will be auctioned on 18 November 2009 with breakdown as: ₦15 billion of 3-year bond; ₦20 billion of 10-year bond and ₦30 billion of 20-year bond. The 10 and 20-year tenor bonds for October and November respectively are new issues while the remaining issues are re-openings. While there would be no auctions in the month of December, non-competitive bids would be announced in the months where auctions exist.
- ❖ The Federal Mortgage Bank of Nigeria (FMBN) is partnering with HSBC to raise \$1.5 billion (₦225 billion) from the international capital market to assist in funding the government's mass housing delivery scheme. This Euro long-term facility (or bond) is part of the government's strategic plan to raise alternative funding for mechanism for mass housing in the country. The credit facility will also serve as a platform to enable the bank issue housing bonds regularly and more efficiently to provide the much needed funding window for housing development. HSBC is an international investment financier in London.
- ❖ Nigeria's Foreign Exchange reserves declined to \$40.9 billion as at 30 September 2009 from \$41.7 billion which was recorded at the end of August 2009 which represents a decline of 1.92%. This fall is attributed to a 7.34% fall in the price of crude oil which traded at \$65.55 per barrel at the end of September 2009 from \$70.74 per barrel at the end of August 2009.

STANBIC IBTC WEEKLY MONEY BULLETIN

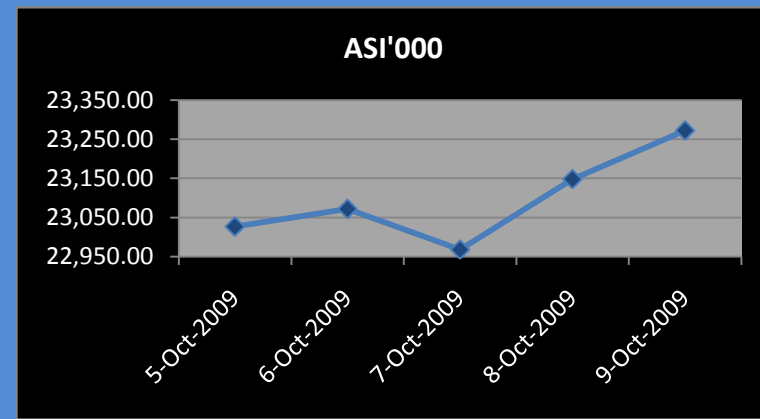
MONEY MARKET UPDATE

- ✓ There was a net inflow of ₦63.25 billion last week in the Treasury Bills Market against a net outflow of ₦38.9 billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦9.06 billion against ₦29.59 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 10.38%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦147.32 closed last week at ₦146.51.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 3.44%, compared to 0.74% recorded in the previous week. Year-to-date performance of the ASI now stands at -26.01%.
- ✓ 3.7 billion units of 50 kobo ordinary shares of Beco Petroleum Products Plc shares were listed on the Exchange in Petroleum sub-sector.

ASI FOR THE WEEK ENDED 09 OCTOBER 2009



MARKET OUTLOOK FOR THE NEW WEEK.

Liquidity is expected to persist in the money market as the \$2 billion stimulus fund from the excess crude account is expected to be shared this week.
FAAC is also 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 09 OCTOBER 2009

Date	Current Price (₦)
09 Oct 09	1.4859

DAILY OMO AUCTION FOR THE WEEK ENDED 09 OCT 2009

Week 38	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
09 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
FMBN	Federal Mortgage Bank of Nigeria
NDIC	Nigeria Deposit Insurance Corporation
FG	Federal Government of Nigeria
NAICOM	National Insurance Commission
DMO	Debt Management Office
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 09 OCT 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
05 Oct 09	146.51	N/A	100.00	87.26	15.32
07 Oct 09	146.51	N/A	100.00	127.27	46.52
Total		N/A	600.00	214.53	61.84
Average	146.51	N/A	300.00	107.26	30.92

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

TREASURY BILLS PRIMARY MARKET AUCTION FOR THE WEEK ENDED 09 OCT 2009

Week 38	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
09-Oct-09	-	91 days	-	-
09-Oct-09	-	182 days	-	-
Total			-	-

TENOR	09 - Oct	08 - Oct	07 - Oct	06 - Oct	05 - Oct
Call	10.3750	10.6250	10.2500	10.0833	10.2500
7-Day	12.2500	12.3333	12.2500	12.2083	12.2500
30-Day	14.7500	14.7500	14.7500	14.8750	14.7500
60-Day	16.0000	15.8333	15.8333	16.2917	15.4583
90-Day	16.9583	16.9983	16.7900	17.0400	16.7917
180-Day	17.5817	17.6233	17.5817	17.4567	17.2083
365-Day	17.9983	18.1650	18.2067	17.6650	17.6667



MoneyBulletin

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