

## Weekly Money Bulletin 19 OCTOBER 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The year-on-year Consumer Price Index (“CPI”) for September 2009 as released by the National Bureau of Statistics (“NBS”) showed a drop to 10.40% from 11.00% which was recorded for August 2009. NBS stated that price of all items except the farm produce went up by 0.8% in the month of September. It was also disclosed that the percentage change in the CPI for the 12-month ending September 2009 was at 13.1% compared to 13.3% for the period ended August 2009.
- ❖ The CBN has injected a total of ₦650.72 billion into the economy. Of the total sum, ₦300 billion was made available from the excess crude account (“ECA”) while another ₦350 billion was disbursed as revenue allocation with the approval of The Federal Account Allocation Committee (“FAAC”). A breakdown of the revenue allocation of ₦350 billion showed that ₦235.121 billion was the distributable statutory allocation while ₦51.192 was distribution from foreign excess crude savings account. ₦27.879 billion was from the Exchange gain difference while ₦36.53 billion was from the Value Added Tax.
- ❖ Effective 09 November 2009, dubious operators in the Nigerian Capital Market will face the Administrative Proceedings Committee (“APC”) of SEC over infractions. This follows a report submitted by a team of SEC investigators that reviewed transactions of capital market operators including those of the bailed out banks by the Central Bank of Nigeria (“CBN”). SEC will from the 9<sup>th</sup> November 2009 invite some capital market operators to its APC to determine if they have engaged in acts that have brought disrepute and erosion of investors’ confidence in the capital market.
- ❖ Delegates from the International Monetary Fund (“IMF”) on a 10-day visit as independent arbitrator to provide an objective evaluation of the recently proposed Petroleum Industry Bill (PIB), have endorsed the bill amid reservations by the international oil companies (IOCs) operating in the country. The PIB is a proposal to substantially reduce the government’s control in the oil industry and allow it run strictly as a business in a deregulated environment. The FG is also aiming at deriving more revenue from petroleum resources by increasing royalties and taxes payable by oil companies, in addition to giving host communities stakes in the ventures. The protest of the IOCs is based on their belief that government is trying to create a monopoly for the national oil company (NNPC) and also for fiscal proposals which are considered as uneconomical.

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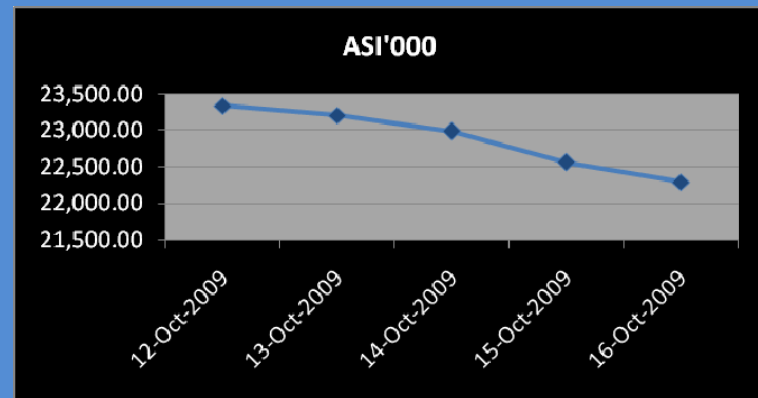
### MONEY MARKET UPDATE

- ✓ There was a net inflow of ₦75.56 billion last week in the Treasury Bills Market against a net inflow of ₦63.25 billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦58.9 billion against ₦9.06 billion of the previous week.
- ✓ The OBB rate dropped to 4.25% last week from 8% of the previous week.
- ✓ Overnight rates which closed the previous week at 10.38% dropped to close the week at 4.75%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦146.51 closed last week at ₦147.86.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 4.20%, compared to a gain of 3.44 % recorded in the previous week. Year-to-date performance of the ASI now stands at -29.12%.
- ✓ The Nigerian Stock Exchange (“NSE”) has announced plans to list 10 billion of GT Assurance Plc at ₦3.00 per share on the official list of the Exchange on Thursday 19 November 2009.

### ASI FOR THE WEEK ENDED 16 OCTOBER 2009



### MARKET OUTLOOK FOR THE NEW WEEK.

Liquidity is expected to persist in the money market as a result of the inflows that came in last 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  
16 OCTOBER 2009**

Date	Current Price (₦)
16 Oct 09	1.4839

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 16 OCT 2009**

Week 39	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
16 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
FG	Federal Government of Nigeria
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
CPI	Consumer Price Index
NBS	National Bureau of Statistics
FAAC	Federal Account Allocation Committee
IMF	International Monetary Fund
PIB	Petroleum Industry Bill
IOCs	International Oil Companies

**FOREX DEALS FOR THE WEEK ENDED 16 OCT 2009**

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
12 Oct 09	147.03	N/A	200.00	326.43	200.00
14 Oct 09	147.86	N/A	200.00	284.60	200.00
<b>Total</b>		<b>N/A</b>	<b>400.00</b>	<b>611.03</b>	<b>400.00</b>
<b>Average</b>	<b>147.45</b>	<b>N/A</b>	<b>200.00</b>	<b>305.52</b>	<b>200.00</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 16 OCT 2009**

Week 39	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
15-Oct-09	5.2500%	91 days	39.19	15.00
15-Oct-09	6.9100%	182 days	48.75	30.56
15-Oct-09	7.100%	364 days	44.50	30.00
<b>Total</b>			<b>132.44</b>	<b>75.56</b>

TENOR	16 - Oct	15 - Oct	14 - Oct	13 - Oct	12 - Oct
Call	4.7500	6.1667	10.2500	10.2500	10.2917
7-Day	7.4167	9.0000	12.1667	12.2500	12.2500
30-Day	11.3333	11.5833	14.5000	14.9500	14.7500
60-Day	13.0000	12.8750	15.4167	15.8083	15.7500
90-Day	13.7500	14.2500	16.5000	16.7500	16.8333
180-Day	14.5000	14.8750	16.9167	17.1667	17.2917
365-Day	15.3000	15.2500	17.4883	17.7083	17.8333



**MoneyBulletin**

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