

Weekly Money Bulletin 26 OCTOBER 2009

OUTLINE

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

KEY DEVELOPMENTS

- ❖ The FG has disbursed the amount of ₦912.3 million to 6,064 farmers under its AGC Scheme for the month of August. The amount indicates a 64.3% increase over the N556 million disbursed in July. The AGCS was founded in 1977 by the CBN to provide guarantee in respect of loans granted by any bank for agricultural purposes. The scheme aims to fast-track the development of the agricultural sector by providing credit facilities to large-scale enterprises at a single digit interest rate of 9% in order to enhance national food security and increase food supply and reduce the cost of credit in agricultural production and enable farmers to exploit the potential in the sector.
- ❖ In a move to revive the nation's manufacturing sector currently in comatose, the FG has approved a set of incentives to boost local cement production in line with recommendations of the presidential committee set up to review the state of the industry. The government has removed all forms of restrictions on the importation of gypsum as part of incentives to encourage domestic cement produces. Also, the issuance of cement import license will henceforth be dependent on the guarantees that such licenses will be fully utilized within a specified period of time. The scheme is to be funded through a ₦500 per ton special levy on all cement import as approved by the President.
- ❖ The FG has completed plans to roll out a fresh scheme to rescue the nation's dying textile industry and bring about \$57 billion expansion of the economy through the various segments of the textile sector. The nation is expected to conserve \$2 billion annually due to drastic reduction in the importation of textile materials into the scheme. The BoI is expected to provide most of the funds and only competitive and viable enterprises would be able to access it. Revenue earned in the industry is likely to be ₦300 billion if the scheme is fully implemented. Presently there are 45 textile factories in Nigeria not operating at full capacity compared to 120 in the 1980s. As at 2005, the contribution of the sector to the GDP was less than one percent and market share dropped from 27 per cent in 2003 to 15 per cent in 2005.
- ❖ A new policy has been released by the FG to reform the federal civil service. According to the policy, permanent secretaries shall hold office for a term of four years, renewable for a further term of four years, subject to satisfactory performance, and no more. For directors, the policy states that they shall compulsorily retire upon serving eight years on post.

STANBIC IBTC WEEKLY MONEY BULLETIN

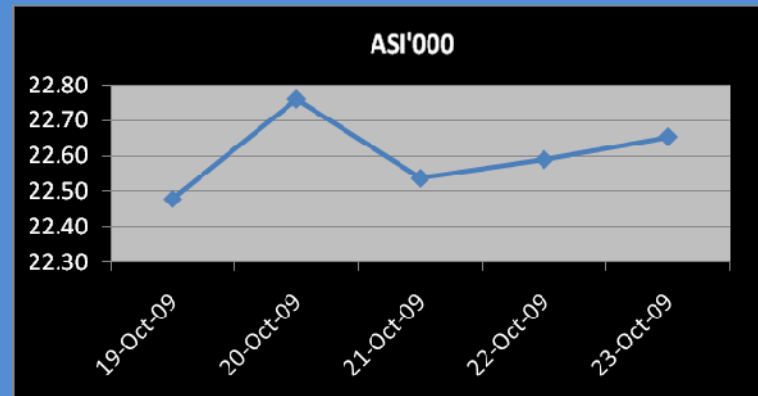
MONEY MARKET UPDATE

- ✓ There was a net outflow of ₦4.86 billion last week in the Treasury Bills Market against a net inflow of ₦75.56 billion of the previous week.
- ✓ The FX market witnessed a net outflow of ₦59.3 billion against ₦58.9 billion of the previous week.
- ✓ The OBB rate dropped to 4.1% last week from 4.25% of the previous week.
- ✓ Overnight rates which closed the previous week at 4.25% dropped to close the week at 4.1%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦147.86 closed last week at ₦148.61.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 1.61%, compared to a loss of 4.20 % recorded in the previous week. Year-to-date performance of the ASI now stands at -27.97%.
- ✓ Custodian & Alliance Insurance Plc announced an interim dividend of N0.05 per share. The date of closure of register was October 22, 2009 while payment date is October 29, 2009.

ASI FOR THE WEEK ENDED 23 OCTOBER 2009



MARKET OUTLOOK FOR THE NEW WEEK.

The market is expected to remain liquid

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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
23 OCTOBER 2009**

Date	Current Price (₦)
23 Oct 09	1.4936

**DAILY OMO AUCTION
FOR THE WEEK ENDED 23 OCT 2009**

Week 40	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
23 Oct 09	-	-	-	-

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
AGCS	Agricultural Guarantee Credit Scheme
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
ASI	All Share Index
CBN	Central Bank of Nigeria
AGCS	Agricultural Guarantee Credit Scheme

FOREX DEALS FOR THE WEEK ENDED 23 OCT 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
19 Oct 09	148.21	N/A	200.00	254.50	200.00
21 Oct 09	148.61	N/A	200.00	240.24	200.00
Total		N/A	400.00	494.74	400.00
Average	148.41	N/A	200.00	247.37	200.00

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 16 OCT 2009**

Week 40	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
22-Oct-09	-	91 days	-	-
Total				

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
23 Oct 2009	3	20.000	31.500	7.0000
23 Oct 2009	10	10.000	10.000	7.0000
23 Oct 2009	20	19.440	19.440	8.7900

TENOR	23 - Oct	22 - Oct	21 - Oct	20 - Oct	19 - Oct
Call	4.3750	4.3167	4.4167	4.2917	4.3750
7-Day	6.7917	6.7083	7.1667	6.6250	6.4167
30-Day	11.9167	11.8333	12.9167	11.5000	11.3333
60-Day	13.2083	13.3750	13.8333	12.8333	12.9167
90-Day	14.4167	14.5833	14.7500	14.4167	14.3333
180-Day	15.3333	15.1250	15.2917	15.0000	15.1667
365-Day	15.9167	15.7083	16.2083	15.5833	15.7500



MoneyBulletin

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