Stanbic IBTC Pension Managers

MoneyBulletin

Weekly Money Bulletin

02 NOVEMBER 2009

OUTLINE

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

STANBIC IBTC WEEKLY MONEY BULLETIN

KEY DEVELOPMENTS

- A new set of rules being proposed to regulate margin trading suggests that bank shares may no longer be allowed as collateral to secure margin loans. The objective of the new rules is to prevent a recurrence of the stock market crash and also to give legal backing to the proposed Asset Management Company that would warehouse toxic assets estimated at over ₦1 trillion on banks' books. The new set rules intends to place a ceiling on the levels of exposure of stock brokers to margin facilities, define the type of stock to be used to secure such loans and prices at which such shares could be sold to offset loan repayment.

- The CBN has revealed new disclosure requirement to ensure transparency of banks' financial statements. The new format is aimed at ensuring the banks' unaudited accounts reflect global best practices.. The new guidelines will have four major indicators which include total non-performing loans and advances; total non-performing loans to total loans and advances; basic earnings per share; as well as diluted earnings per share. In a related development, the apex bank urged all banks to recognize the loan loss which was revealed by its special auditors in the recently concluded audit of the sector and fully provide for it latest October 2009.

- The World Bank, AfDB, and the USAID, have unveiled economic blueprints for Nigeria. The economic framework, which was approved by the World Bank in 2008, is specially aligned to assist the FG in achieving its Vision 2020 objectives. The Vision 2020 is a programme the FG has set to position the country among the top 20 largest economies by the year 2020. According to the blueprint, a total of $5.7 billion is expected to be provided by the three major development agencies for the purpose of developing the Nigerian economy. The allocation is as follows: - WB would provide $4.5 billion within the 2010-2013 fiscal period; the AfDB is expected to provide $960 million and $238 million by the USAID. The blueprint would focus on priority areas such as the sustenance of non-oil growth by removing constraints on policies; infrastructure and skills; improving human development through better delivery of social services; and improving governance among the three tiers of government.

- The CBN has stated that the naira exchange rate should hover around ₦150 per dollar and fluctuations should not be more than 3 per cent. Following the loss of more than a fifth of its value against the dollar since last November when the CBN allowed the currency depreciate rather than defend it with foreign reserves, there's no reason for the exchange rate to move significantly as pressure on the naira to weaken subsided after oil prices rose by 77% this year and production recovered to almost 2 million barrels per day after militant attacks in the oil-rich Niger-Delta.. Nigeria is one of Africa's two biggest crude oil exporter now, according to OPEC, the other being Angola

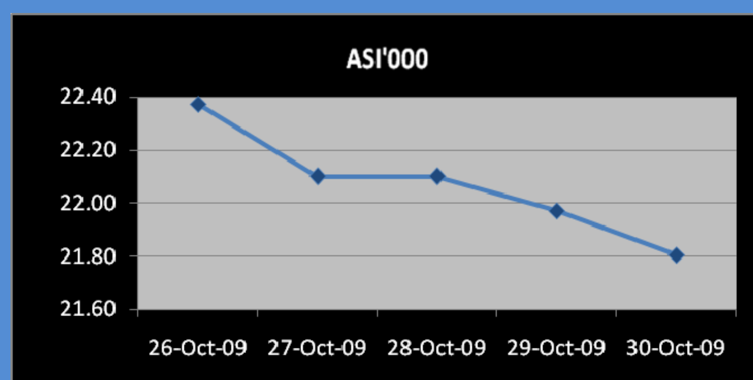
MONEY MARKET UPDATE

- ✓ There was a net inflow of ₦35.79billion last week in the Treasury Bills Market against a net outflow of ₦4.86billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦39.22 billion against ₦59.33 billion of the previous week.
- ✓ The OBB rate remained stable at 4.00%
- ✓ Overnight rates which closed the previous week at 4.00% rose slightly to close the week at 4.25%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦147.86 closed last week at ₦149.14.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 2.54%, compared to a gain of 1.61 % recorded in the previous week. Year-to-date performance of the ASI now stands at -30.67%.
- ✓ The full suspension of Stokvis Nigeria Plc and African Paints (Nig) Plc was upgraded to technical suspension on Thursday 29 October 2009.

ASI FOR THE WEEK ENDED 30 OCTOBER 2009



MARKET OUTLOOK FOR THE NEW WEEK.

- Liquidity brought about by excess crude oil distribution, bank bail out , and FAAC is still expected to persist in the week.
- MPC meeting is expected to hold on 03 November 2009.

IBTC RSA FUND PRICE FOR THE WEEK ENDED 30 OCTOBER 2009

Date	Current Price (₦)
30 Oct 09	1.4942

DAILY OMO AUCTION FOR THE WEEK ENDED 30 OCT 2009

Week 41	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
	-	-	-	-
		-	-	-

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
OPEC	Organization of the Petroleum Exporting Countries
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
FG	Federal Government of Nigeria
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
WB	World Bank
AfDB	African Development Bank
USAID	United States Agency for International Development

FOREX DEALS FOR THE WEEK ENDED 30 OCT 2009

WDAS	Marginal Rate (₦/$1)	No. of Banks	Amount on Offer ($Mn)	Demand ($Mn)	Amount Sold ($Mn)
26 Oct 09	149.14	N/A	200.00	286.15	200.00
28 Oct 09	149.14	N/A	**200.00**	152.45	**62.95**
Total		**N/A**	**400.00**	**438.60**	**262.95**
Average	**149.14**	**N/A**	**200.00**	**219.30**	**131.48**

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

TREASURY BILLS PRIMARY MARKET AUCTION FOR THE WEEK ENDED 30 OCT 2009

Week 41	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
29-Oct-09	4.9000%	91 days	26.14	15.00
29-Oct-09	5.7450%	182 days	71.45	30.79
Total			**132.44**	**75.56**

TENOR	30 - Oct	29 - Oct	28 - Oct	27 - Oct	26 - Oct
Call	4.5000	4.6250	4.4167	4.4583	4.3083
7-Day	7.3333	7.0833	6.7083	6.8750	6.8333
30-Day	12.1667	12.2500	12.7083	12.3333	11.6250
60-Day	13.3750	13.6250	13.2083	13.3750	12.6250
90-Day	14.0417	14.4167	14.1667	14.3333	14.0833
180-Day	14.9583	15.1667	14.9583	15.1667	14.7917
365-Day	15.5883	15.5883	15.4167	15.6667	15.3750

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