

## Weekly Money Bulletin 09 NOVEMBER 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The World Bank has disbursed \$16.2 million to 27 states as part of its \$250 million commitment to the third phase of Fadama Project. Fadama is the Hausa name for irrigable land. They are food plains and low lying areas underlined by shallow aquifers and found along Nigeria's river system. The WB supports farmers who use this medium. The implementation of Fadama III began in March 2009 and is expected to terminate in 2014. It has a total package of \$450 million, out of which \$250 million will be made available by the IDA World Bank Soft loan at 0.7 per cent interest. IDA is an arm of the WB that provides funding (soft money) to aid infrastructural development in low income countries. The federal, states, and local governments as well as the benefitting communities are expected to provide \$200 million. In line with the FG's renewed focus on agriculture and poverty reduction, all the 36 states and the FCT have been mainstreamed into programme. Under the Fadama III project, there would be increased agricultural productivity through efficient, effective and timely supply and provision of inputs to farmers.
- ❖ The CBN has commenced the second phase of the banking sector reforms aimed at establishing transparency and good corporate governance in the system. Having concluded the first phase of cleaning up, which saw the dismissal of eight bank chiefs in the first and second rounds of the apex bank's stress tests, the next stage would focus on diagnostics among other things. It has been revealed that the review of the regulatory process will involve consultation with other agencies like the NDIC, which has been an active partner since the beginning of the reform process. The CBN also confirmed that issues like absence of contractual agreements on the tenure of CEOs, and quality of board oversight would be addressed.
- ❖ Quoted companies that are fond of delaying or failing to report their financial results are in for heavy sanctions from SEC as the Commission issues new rules on reporting. Some quoted companies fail to adhere to the post-listing requirements of the NSE, which requires timely report of quarterly and yearly financial performances to enable operators and investors ascertain the financial state of health of the companies invested in. The new rules are as follows: - (i) Companies must publish their signed quarterly balance sheets, income statements and cash flow statements in at least one national daily newspaper. (ii) The accounting policies, notes and other relevant information shall be posted on the companies' website, which addresses shall be disclosed in the newspaper publication (iii) The publication shall be signed by the CEO and chief financial officer or persons performing similar function. (iv) Companies are required to file their quarterly earnings forecast released to the NSE with the Commission as required by the Investments and Securities Act (ISA) of 2007 so as to enable investors compare the actual performance against the forecast.
- ❖ The Presidency has resolved to continue with the planned deregulation of the downstream and quashed any rumors of a possible retraction of the PIB. The President stated that the bill is aimed at repositioning the NNPC to become a transparent, accountable, and profitable business concern, existing without any budgetary provisions from the government and freed from its regulatory functions. The FG further stressed the necessity of the Bill claiming that subsidy distorts the system, encourages corruption and creates more problems than it solves. Also, while the government is aware of the initial pain deregulation will cause the nation, it is believed that the pain will be temporary and the whole nation will be better for it.

## STANBIC IBTC WEEKLY MONEY BULLETIN

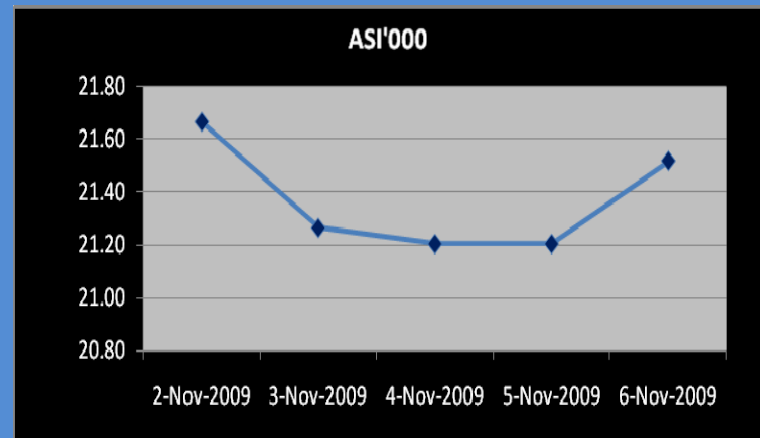
### MONEY MARKET UPDATE

- ✓ There was a net inflow of ₦42.89 billion last week in the Treasury Bills Market against a net inflow of ₦35.79 billion of the previous week. .
- ✓ The FX market witnessed a net outflow of ₦59.80 billion against ₦39.22 billion of the previous week.
- ✓ The OBB rate closed at 4.25%
- ✓ Overnight rates remained stable at 4.00%
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦149.14 closed last week at ₦149.63

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 1.32%, compared to a loss of 2.54 % recorded in the previous week. Year-to-date performance of the ASI now stands at -31.58%.
- ✓ 179,000 units were added to the Crusader (Nig) Plc Unsecured Convertible Debenture Stock 2013 on 06 November 2009. This increased the subscription level of the Debenture Stock from 80.58% to 85.06%.

### ASI FOR THE WEEK ENDED 06 NOVEMBER 2009



### MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Market is expected to experience slight tightness as the CBN recalled ₦85 billion out of the ₦200 billion Agric Fund set aside under the commercial agricultural credit scheme.

**IBTC RSA FUND PRICE FOR THE WEEK ENDED  
06 NOVEMBER 2009**

Date	Current Price (₦)
06 Nov 09	1.5006

**DAILY OMO AUCTION**
**FOR THE WEEK ENDED 06 NOV 2009**

Week 42	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
	-	-	-	-

**KEY TO ABBREVIATIONS**

ASI	All Share Index
CBN	Central Bank of Nigeria
MPC	Monetary Policy Committee
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
WB	World Bank
SEC	Securities and Exchange Commission
NNPC	Nigerian National Petroleum Corporation
NDIC	Nigeria Deposit Insurance Corporation
IDA	International Development Association
PIB	Petroleum Industry Bill

**FOREX DEALS FOR THE WEEK ENDED 06 NOV 2009**

WDAS	Marginal Rate (₦/\$)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
02 Nov 09	149.35	N/A	200.00	285.71	200.00
04 Nov 09	149.63	N/A	200.00	278.13	200.00
<b>Total</b>		<b>N/A</b>	<b>400.00</b>	<b>563.84</b>	<b>400.00</b>
<b>Average</b>	<b>149.49</b>	<b>N/A</b>	<b>200.00</b>	<b>281.92</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
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 06 NOV 2009**

Week 42	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
	-		-	-

TENOR	06 - Nov	05 - Nov	04 - Nov	03 - Nov	02 - Nov
Call	6.5000	7.7083	7.9167	6.6667	4.5000
7-Day	8.9167	10.0833	10.1250	8.7917	7.2083
30-Day	13.9583	14.7500	14.8333	13.6667	12.6667
60-Day	15.0000	15.3750	15.5417	14.8333	13.7500
90-Day	16.0833	16.2500	16.2500	15.7917	14.5417
180-Day	16.7500	16.7917	16.7500	15.2500	15.2500
365-Day	17.0833	17.2500	17.1667	16.0000	16.0000


**MoneyBulletin**

Head Office: The Wealth House, 1678 Olakunle Bakare Close, Off Sanusi Fafunwa Street

Victoria Island Lagos Nigeria

Telephone: +234-1-2801255 Facsimile: +234-1-2716021/2

E-mail: pensionmanagers@stanbicibtcpension.com