

Weekly Money Bulletin 16 NOVEMBER 2009

OUTLINE

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

KEY DEVELOPMENTS

- ❖ The Securities and Exchange Commission (SEC) has directed fund managers registered with it to divest from unquoted companies in line with the provisions of the Investment and Securities Act (ISA) and Trust Deed or face sanctions. All fund assets are required to be in the custody of trustees who must be made signatories to the funds' bank accounts in order to protect the interest of unit-holders. On investing in real estate, the Commission is also insisting that fund managers cannot invest in uncompleted real estate projects, if they are not Real Estate Investment Trusts (REITs). However, fund managers may invest in real estate securities or completed projects if the assets allocation in the trust deed expressly provided for it.
- ❖ The National Pension Commission (PenCom) has indicated that, effective 2010, a substantial part of pension collections under the new Pension Reform in Nigeria would be invested in longer tenor securities in the corporate bond market. ₦1.3 trillion worth of pension assets exist under the scheme and only about 0.3% of the amount has been invested in corporate debt instruments although the law permits investment of up to 30% of total collection. Some recent measures taken by PenCom to encourage investment in the corporate bond market includes: reduction of the minimum permissible rating for investment in corporate bonds to 'BBB' and the increase of the per-issue/issuer limit to 5% from 2.5%.
- ❖ The Central Bank of Nigeria (CBN) has rolled out a set of agenda for the banking sector aimed at strengthening the regulatory and supervisory framework to ensure the banks remain safe, sound and healthy. Some of the strategies to be adopted by the CBN includes: putting in place a code of conduct for regulators to ensure that regulatory and supervisory staff in the financial services sector live up to expectations; reinvigoration of the policy of zero tolerance on all professional and unethical banking practice to ensure maintenance of public confidence; conduct of its own risk assessment to rely less on classifications by rating agencies; diversification of funding sources away from banks to attract more foreign investors into the banking sector; liaising with SEC and the NSE to reduce the cost of transactions, particularly bond issues; and integration of Nigeria's financial system into the African regional and global system, among others.
- ❖ The Nigerian Stock Exchange (NSE) has significantly reduced its equity shareholding in Central Securities Clearing System Limited (CSCS) from 100% to 30% following a private placement embarked upon earlier this year. The CSCS which was established on 29 July 2009 and commenced operation on 14 April 1997 is the body responsible for clearing, making settlement and executing delivery of transactions done at the NSE. It is also known as the Central Securities Depository (CSD).

STANBIC IBTC WEEKLY MONEY BULLETIN

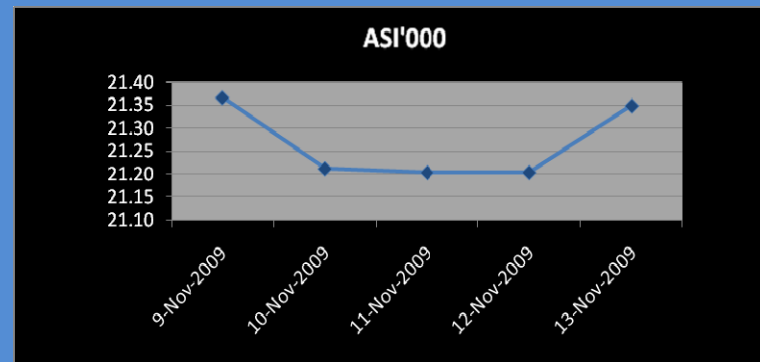
MONEY MARKET UPDATE

- ✓ There was a net outflow of ₦60.00 billion last week in the Treasury Bills Market against a net inflow of ₦42.89 billion of the previous week.
- ✓ The FX market witnessed a net outflow of ₦75.05 billion against ₦59.80 billion of the previous week.
- ✓ The OBB rate rose to 7.5% from 4.25 in the previous week.
- ✓ Overnight rates which closed the previous week at 4.00% rose to close the week at 9.46%
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦149.63 closed last week at ₦150.11

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 0.78%, compared to 1.32% loss recorded in the previous week. Year-to-date performance of the ASI now stands at -32.12%.
- ✓ The NSE has approved the immediate delisting of Aboseldehyde Laboratories Plc from the Daily Official List, following the expiration of the time given to the company to regularize its status with the Exchange.
- ✓ Nestle has announced an interim dividend of ₦1.95 for the 2009 financial year. Closure date is 30 November 2009, while payment would be made on 07 December 2009.

ASI FOR THE WEEK ENDED 13 NOVEMBER 2009



MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Money market rates are expected to be stable in the new week due to FAAC inflows and ₦100 billion Agric funds expected.

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

Date	Current Price (₦)
13 Nov 09	1.5016

**DAILY OMO AUCTION
FOR THE WEEK ENDED 13 NOV 2009**

Week 43	Stop Rates (% p.a.)	Tenor (Days)	Bids Received (₦) Billion	Amount Sold (₦) Billion
	-	-	-	-
	-	-	-	-

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
FAAC	Federation Accounts Allocation Committee
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
CSCS	Central Securities Clearing System
ISA	Investment and Securities Act
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
WDAS	Wholesale Dutch Auction System
NIBOR	Nigerian Interbank Offered Rate
SEC	Securities and Exchange Commission
IFRS	International Financial Reporting Standard
REIT	Real Estate Investment Trust
PenCom	National Pension Commission

FOREX DEALS FOR THE WEEK ENDED 13 NOV 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
09 Nov 09	150.06	N/A	200.00	388.00	200.00
11 Nov 09	150.11	N/A	300.00	322.00	300.00
Total		N/A	500.00	710.00	500.00
Average	150.09	N/A	250.00	355.00	250.00

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 13 NOV 2009**

Week 43	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
11-Nov-09	4.6550%	91 days	36.25	15.11
11-Nov-09	5.6590%	182 days	36.86	30.00
11-Nov-09	5.7000%	365 days	71.75	30.00
			144.86	75.11

TENOR	13 - Nov	12 - Nov	11 - Nov	10 - Nov	09 - Nov
Call	9.4583	8.8333	8.6667	8.7500	7.1250
7-Day	10.7500	10.4167	10.4167	10.5000	9.4167
30-Day	15.0250	15.0417	15.0417	14.5833	14.4167
60-Day	15.7000	15.5833	15.9583	15.8333	15.6667
90-Day	16.2500	16.0833	16.6667	16.5833	16.2500
180-Day	16.7333	16.6667	16.7917	16.9170	16.8333
365-Day	17.1667	16.9167	17.1250	17.2917	17.3333


MoneyBulletin

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