

## Weekly Money Bulletin 23 NOVEMBER 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ In line with the banking reform exercise aimed at ensuring the stability and soundness of Nigeria's banking industry, the CBN has appointed advisers that will work with the ten deposit money banks, whose management were recently replaced. The advisers are Deutsche Bank, Chapel Hill, Stanbic IBTC, Olaniwun Ajayi LP, Kola Awodein & Co, KPMG Professional Services, and Akintola Williams Deloitte. The objectives of the appointment are:- (i) To explore all options for securing stability and long-term future growth (ii) To explore all possibilities for institutionalizing best practice and good corporate governance at each of the banks, in line with the CBN's desire to protect the interests of all stakeholders.
- ❖ The year-on-year Consumer Price Index ("CPI") for October 2009 showed a rise to 11.60% from 10.40% which was recorded for September 2009. Price of all items in the inflation basket except farm produce rose by 0.8% in the month of October. This brings the percentage change in the CPI for the 12-month ending October 2009 to 12.8% compared to 13.1% for the period ended September 2009.
- ❖ The CBN has issued new guidelines to banks on the treatment of BAs and CPs. The new guidelines, which have been circulated to the banks and discount houses dealt with all aspects of the treatment of the two instruments – including the conditions, ratings, tenor, underwriting, investments, payments, registration and standardization of BAs and CPs. Other areas it covered included the reporting, accounting treatment, disclosures as well as penalties for default in the deployment of the instruments by banks and discount houses. The guidelines are as follows: - when a bank invests on CPs by disbursing its own funds, the transaction shall be reported on the balance sheet and treated as a loan. If a bank merely guarantees the instrument, it shall be shown off balance sheet as a contingent liability; every BA shall have an ordering trade transaction for which the bank should hold the title document to the merchandise as collateral for the acceptance; CPs will only qualify as a financing vehicle if the amount to be raised does not exceed half the issuer's shareholder's fund. The objective of the new guidelines is to ensure uniform and correct treatment of the instruments to deepen and facilitate the effective and efficient funding of the money market.
- ❖ The FG recently raised ₦65 billion through the Debt Management Office ("DMO"). The 3-year, 5-year and 20-year FGN Bonds were reopened at the DMO's tenth auction this year held on 18 November 2009. 15 billion of the 3-year bond was allotted at a marginal rate of 6.75%, while 20 billion and 30 billion of the 10-year and 20-year FGN Bonds were allotted at marginal rates of 8.32% and 8.50% respectively. At the last auction held on 18 September 2009, the marginal rates for the 3-year, 10-year and 20-year bonds were 7.00%, 7.00%, 8.79% respectively.

## STANBIC IBTC WEEKLY MONEY BULLETIN

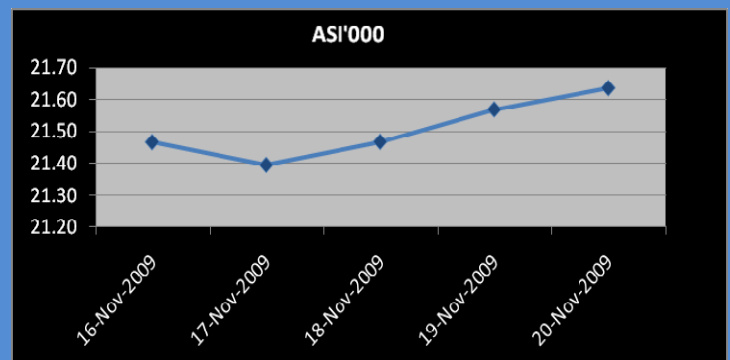
### MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦59.04 billion against ₦75.05 billion of the previous week.
- ✓ The OBB rate fell to 2.25% from 7.5% in the previous week.
- ✓ Overnight rates which closed the previous week at 9.00% dropped to close the week at 3.2%
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦150.11 closed last week at ₦149.75

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 1.34%, compared to a loss of 0.78% recorded in the previous week. Year-to-date performance of the ASI now stands at -31.21%.
- ✓ The 10 billion shares of ₦0.50 each in favour of Guaranty Trust Assurance Plc were admitted at a price of ₦3.00 per share on 19 November 2009 by way of Introduction. The Company was listed in the Insurance subsector. The number of listed companies and securities has now increased to 214 and 298 respectively.
- ✓ The technical suspension of Cadbury Nigeria Plc was lifted on Tuesday 17 November 2009 following the two weeks allowed by the Exchange after closure of the supplementary share offering to the public.
- ✓ The Board of Directors of Conoil Plc is recommending a dividend of ₦1.00 per share for the 2008 financial year. The closure date of register is 01 December 2009 while payment date is 04 January 2010.

### ASI FOR THE WEEK ENDED 23 NOVEMBER 2009



### MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Market is expected to be liquid as a result of inflow from FAAC.

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

Date	Current Price (₦)
20 Nov 09	1.5035

**DAILY OMO AUCTION**
**FOR THE WEEK ENDED 20 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 House
DMO	Debt Management Office
RSA	Retirement Savings Account
OBB	Open Buy Back
OMO	Open Market Operations
WDAS	Wholesale Dutch Auction System
NIBOR	Nigerian Interbank Offered Rate
CP	Commercial Paper
BA	Bankers' Acceptance

**FOREX DEALS FOR THE WEEK ENDED 20 NOV 2009**

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
16 Nov 09	149.75	N/A	200.00	218.44	200.00
18 Nov 09	149.75	N/A	200.00	180.87	180.87
<b>Total</b>		<b>N/A</b>	<b>400.00</b>	<b>710.00</b>	<b>380.87</b>
<b>Average</b>	<b>149.75</b>	<b>N/A</b>	<b>200.00</b>	<b>355.00</b>	<b>190.44</b>

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 20 NOV 2009**

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

TENOR	20 - Nov	19 - Nov	18 - Nov	17 - Nov	16 - Nov
Call	4.5000	3.5833	3.7500	4.6250	9.5833
7-Day	7.5417	6.8833	7.2083	7.8333	11.3333
30-Day	13.5417	13.0833	12.2500	12.6250	14.8333
60-Day	14.7500	14.0000	13.6667	13.9167	15.9583
90-Day	15.5000	15.5200	14.1250	15.1250	16.3750
180-Day	15.7917	15.8333	14.9583	15.7083	16.5417
365-Day	16.1667	16.1667	15.2917	16.1250	17.0000

**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
20 Nov 2009	3	15.000	15.000	6.75
20 Nov 2009	10	20.000	20.000	8.32
20 Nov 2009	20	30.000	30.000	8.50


**MoneyBulletin**

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