

## Weekly Money Bulletin 30 NOVEMBER 2009

### OUTLINE

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

### KEY DEVELOPMENTS

❖ The breakdown of the proposed 2010 budget presented by the Presidency to the National Assembly shows that a total expenditure of ₦4.079 trillion is expected next year against ₦2.517 billion expected to be collected as revenue; thus creating a budget deficit of ₦1.562 trillion. The projected expenditure is 41.56% higher than ₦2.87 trillion appropriated in 2009 while the projected revenue is 42.13% higher than 2009's figure. The 2010 budget was benchmarked on an estimate of \$57 per barrel of crude oil, in comparison to \$45 per barrel of 2009. Oil production for 2010 is projected to be 2.088 mbpd compared to 2.292 mbpd used in 2009's budget. Projected inflation rate for 2010 is 11.2 per cent in comparison to 8.2 per cent estimated for 2009. Real GDP growth for 2010 is estimated at 6.1 per cent, as against 7.5 per cent estimated for 2009. The 2010 budget was based on an exchange rate of 150/\$1 in comparison to 116/\$1 used for 2009. The five key priority sectors of the budget are: critical infrastructure; human capital development; land reform and food security; physical security, law and order; and the Niger Delta. The budget also made provisions of the sum of ₦1.37 trillion for Capital Expenditure; ₦2.012 trillion for recurrent expenditure; ₦517.072 billion for debt servicing; and ₦180.28 billion for statutory transfers. Infrastructural development got the highest allocation of ₦249.4 billion; Education was second-highest with ₦249 billion; Defence got ₦232.044 billion; the Police Force got ₦216.4 billion; the Power sector was allocated ₦156.7 billion; Agriculture got ₦148.7 billion while the Transport sector got ₦146.7 billion.

❖ The Presidency has reiterated its plans to provide financial stimulus for the agriculture sector with a view to regenerating the nation's industrial division of the economy. Special intervention funds will be established to provide credit facilities for commercial farming and support necessary agro-processing linkages to resuscitate the industry. A review of tariffs and fiscal incentives is ongoing to enhance productivity in the real sector and facilitate rapid economic growth. A Presidential Task Force has been set up to identify the priority sectors to benefit from these measures.

❖ The FG plans to inject ₦4.5 billion into the nation's rural economy as a measure to reduce poverty and create employment. Each state will receive ₦121 million as micro-credit facility for the implementation of the scheme.

## STANBIC IBTC WEEKLY MONEY BULLETIN

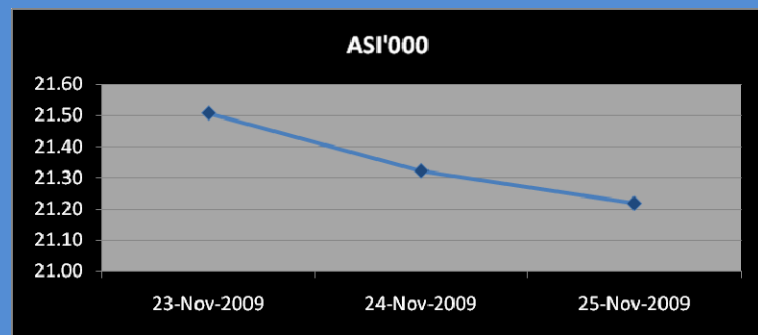
### MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦12.21 billion against ₦57.04 billion of the previous week.
- ✓ The OBB rate remained stable at 2.25%.
- ✓ Overnight rates remained stable at 2.50%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦150.11 closed last week at ₦148.50.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 1.93%, compared to a gain of 1.34 % recorded in the previous week. Year-to-date performance of the ASI now stands at -32.54%.
- ✓ The Board of Directors of Fidelity Bank is recommending a dividend of 5 kobo per share. The date of closure of register is 16 December 2009 while payment date is 4 January 2010.
- ✓ Goldlink Insurance Plc was placed on full suspension on Tuesday 24 November 2009 by the NSE after receiving an application from the company to undertake share reconstruction
- ✓ Resort Savings & Loans Plc was listed on the Stock Exchange on Monday 22 November 2009. The company was listed in the Mortgage Companies sub-sector. This brings the total number of listed companies and securities to 215 and 299 respectively.

### ASI FOR THE WEEK ENDED 25 NOVEMBER 2009



### MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Market is to remain liquid as a result of expected inflow of ₦55 billion from maturity of Treasury Bills.

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

| Date      | Current Price (₦) |
|-----------|-------------------|
| 25 Nov 09 | 1.5020            |

**DAILY OMO AUCTION**
**FOR THE WEEK ENDED 25 NOV 2009**

| Week 45 | 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                  |
| 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          |
| mbpd  | million barrels per day                  |
| GDP   | Gross Domestic Product                   |

**FOREX DEALS FOR THE WEEK ENDED 25 NOV 2009**

| WDAS           | Marginal Rate (₦/\$1) | No. of Banks | Amount on Offer (\$Mn) | Demand (\$Mn) | Amount Sold (\$Mn) |
|----------------|-----------------------|--------------|------------------------|---------------|--------------------|
| 23 Nov 09      | 148.40                | N/A          | 150.00                 | 42.33         | 42.33              |
| 25 Nov 09      | 148.50                | N/A          | 40.00                  | 62.56         | 40.00              |
| <b>Total</b>   |                       | <b>N/A</b>   | <b>190.00</b>          | <b>104.89</b> | <b>82.33</b>       |
| <b>Average</b> | <b>148.45</b>         | <b>N/A</b>   | <b>95.00</b>           | <b>52.45</b>  | <b>41.17</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        |
| 20 Nov 2009  | 3            | 15.000            | 15.000          | 6.7500        |
| 20 Nov 2009  | 10           | 20.000            | 20.000          | 8.3200        |
| 20 Nov 2009  | 20           | 30.000            | 30.000          | 8.5000        |

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 25 NOV 2009**

| Week 45 | Stop Rate (% p.a.) | Tenor    | Bids Received (₦)Billion | Amount Sold (₦)Billion |
|---------|--------------------|----------|--------------------------|------------------------|
| -       | -                  | 91 days  | -                        | -                      |
|         |                    | 182 days |                          |                        |
|         |                    | 365 days |                          |                        |

| TENOR          | 27 - Nov | 26 - Nov | 25 - Nov | 24 - Nov | 23 - Nov |
|----------------|----------|----------|----------|----------|----------|
| <b>Call</b>    | -        | -        | 2.8750   | 3.1167   | 3.1250   |
| <b>7-Day</b>   | -        | -        | 6.5000   | 6.3750   | 6.6667   |
| <b>30-Day</b>  | -        | -        | 13.3750  | 12.8750  | 12.4583  |
| <b>60-Day</b>  | -        | -        | 14.7500  | 14.4167  | 14.0000  |
| <b>90-Day</b>  | -        | -        | 15.7083  | 15.0417  | 14.5417  |
| <b>180-Day</b> | -        | -        | 16.0833  | 15.3750  | 15.2083  |
| <b>365-Day</b> | -        | -        | 16.3333  | 15.8333  | 15.6667  |


**MoneyBulletin**

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