

## Weekly Money Bulletin 07 DECEMBER 2009

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The FG has allocated ₦20.2 billion to Group Life Insurance. The allocation is about a 300 percent increase from the ₦5 billion allocated for the same purpose in 2009. Group Life Insurance, a compulsory insurance for employees in both the private and public sectors, is a provision in the Pension Reform Act 2004. Section 9(3) of the Act states that in addition to the contributions for pensions under the scheme, the employers shall maintain life insurance policy in favour of the employees. The scheme took off fully in the public sector in 2009, boosting the industry's premium generation.
- ❖ The CBN has commenced the review of the microfinance policy to make the microfinance institutions (MFIs) live up to the objective for which they were established, which is providing financial services to the poor by the conventional financial institutions. The current Microfinance Policy, Regulatory and Supervisory Framework for Nigeria became effective in 2005. The microfinance strategy dwelt on areas such as the licensing, regulation and the establishment of microfinance banks; promotion and establishment of institutions that support the development and growth of microfinance services providers; mobilization of domestic savings and promotion of banking culture among low income groups; strengthening the capital base of microfinance institutions as well as skills of regulators, operators and beneficiaries of microfinance initiatives. It has been revealed that after the review of the policy, the CBN would throw it open for public disclosure before it arrives at a final document.
- ❖ National Insurance Commission (NAICOM) has released a new policy which requires insurance companies to report in their books only premium income backed by payment as against the earlier situation where premiums that may never be realized are recorded in the books, and sometimes haven to be written off as bad debt. The new policy on recognition of premiums is expected to take effect from the 2009 financial year. The policy is expected to check premium diversion as well as bring about a healthy balance sheet that will reflect the true state of affairs of the insurance companies.
- ❖ The CBN has dissolved NAMFBIN and AMFBIN and appointed a new committee to coordinate Microfinance Banks and to see the peaceful conduct of elections of a viable national body that would help boost the MFBs in Nigeria. The dissolution of the two bodies is in line with the agreement by the bodies to become harmonized in order to move the industry to the next level. The new committee would see the affairs of the

## STANBIC IBTC WEEKLY MONEY BULLETIN

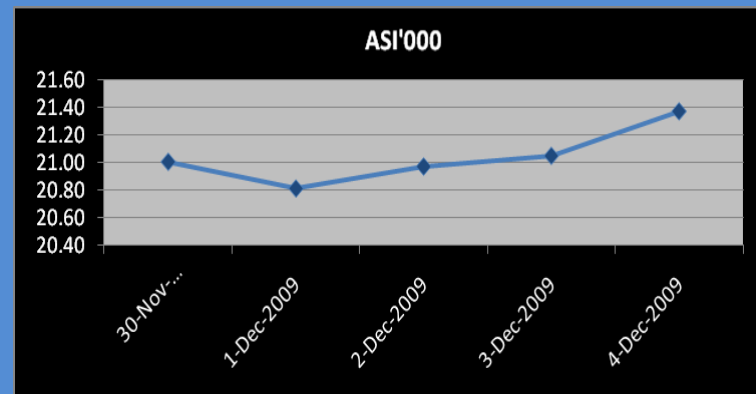
### MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦6.64billion against ₦12.21billion of the previous week.
- ✓ The OBB rate remained stable at 2.25%.
- ✓ Overnight rates rose slightly to 2.67% from 2.50%.
- ✓ The Naira/Dollar exchange rate which closed the previous week at ₦148.50 closed last week at ₦148.31.

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 0.74%, compared to a loss of 1.93 % recorded in the previous week. Year-to-date performance of the ASI now stands at -32.04%.
- ✓ The Board of Directors of Guaranty Trust Assurance Plc is recommending an interim dividend of 5 kobo per share. The date of closure of register is 07 December 2009, while payment date is 18 December 2009.
- ✓ The Board of Directors of Omatek Ventures Plc is recommending an interim dividend of 5 kobo per share. The date of closure of register is 14 December 2009, while payment date is 11 January 2010.

### ASI FOR THE WEEK ENDED 04 DECEMBER 2009



### MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Market is to remain liquid as a result of expected inflow of ₦76 billion from maturity of Treasury Bills.

**IBTC RSA FUND PRICE FOR THE WEEK ENDED  
04 DECEMBER 2009**

Date	Current Price (₦)
04 Dec 09	1.5085

**DAILY OMO AUCTION**
**FOR THE WEEK ENDED 04 DEC 2009**

Week 46	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
NAMFBIN	National Association of Microfinance Banks in Nigeria
AMFBIN	Association of Microfinance Banks

**FOREX DEALS FOR THE WEEK ENDED 04 DEC 2009**

WDAS	Marginal Rate (₦/\$)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
30 Nov 09	148.31	N/A	100.00	44.78	44.78
-	-	N/A	-	-	-
<b>Total</b>	<b>148.31</b>	<b>N/A</b>	<b>100.00</b>	<b>44.78</b>	<b>44.78</b>
<b>Average</b>	<b>148.31</b>	<b>N/A</b>	<b>100.00</b>	<b>44.78</b>	<b>44.78</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 02 DEC 2009**

Week 46	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
-	-	91 days 182 days 365 days	-	-

TENOR	04 - Dec	03 - Dec	02- Dec	01 -Dec	30 - Nov
<b>Call</b>	<b>2.6667</b>	<b>2.7500</b>	<b>2.7917</b>	<b>2.8333</b>	<b>2.7917</b>
<b>7-Day</b>	<b>6.3750</b>	<b>6.0000</b>	<b>6.4583</b>	<b>6.5833</b>	<b>6.4583</b>
<b>30-Day</b>	<b>12.4167</b>	<b>12.0417</b>	<b>12.9167</b>	<b>12.5833</b>	<b>12.9583</b>
<b>60-Day</b>	<b>13.6667</b>	<b>13.6250</b>	<b>14.2917</b>	<b>14.1667</b>	<b>14.4167</b>
<b>90-Day</b>	<b>14.5417</b>	<b>14.3333</b>	<b>15.1250</b>	<b>15.0833</b>	<b>15.1250</b>
<b>180-Day</b>	<b>15.2500</b>	<b>15.1667</b>	<b>15.8333</b>	<b>15.9583</b>	<b>15.9167</b>
<b>365-Day</b>	<b>15.5000</b>	<b>15.6667</b>	<b>16.3750</b>	<b>16.5833</b>	<b>16.1667</b>


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