

Weekly Money Bulletin 14 DECEMBER 2009

OUTLINE

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

KEY DEVELOPMENTS

- ❖ In its efforts at enhancing the efficiency of the payments system in the country, the CBN has set a maximum limit on cheque payments at ₦10 million with effect from 01 January 2010. Any payment value exceeding ₦10 million should be made through the e-payment mode such as the Central Bank Inter-Bank Funds Transfer System ("CIFTS") and Nigeria Inter-Bank Settlement System Electronic Funds Transfer (NEFT) from that date. The new maximum limit serves as a risk reduction measure in the clearing and settlement arrangement in line with international best practice.
- ❖ The CBN is to release additional areas banks will be mandated to fully disclose their commitments or exposures to stakeholders. Although the requirement for full disclosure has covered wide areas of banking activities, the CBN still identifies deficiencies in the scope and quantum of information disclosed. It is believed that the existing requirements as they are, have the tendency to hamper efforts at addressing the challenges in the Nigerian banking industry. Disclosures on some areas such as risk-management, capital management and structure, executive compensation, inter-group transactions and exposures have been found to be inadequate and the new disclosure requirements envisaged to fill the gaps will be released in the first quarter of 2010 and enforced immediately.
- ❖ In a bid to grow the country's bond market, the Federal Ministry of Finance and the Federal Inland Revenue Service ("FIRS") have proposed a blanket tax exemption on all classes of bonds as way of creating more patronage for the bond market in Nigeria. In addition, all such transactions in the market will be tax-free from both the SEC and NSE. Currently, investors in government bonds enjoy some level of tax exemption, while capital gains and withholding tax are charged on corporate bonds. This new tax exemption would eliminate the two-tier tax treatment of government bonds and non-government bonds providing a level playing field for all bonds in the market.
- ❖ CEOs and Executive Directors appointed in August and October by the CBN to run the eight rescued banks will serve for two years in the first instance. However, owners of such banks could decide tenure extension of the CEOs after the banks might have recapitalized, having laid out a concrete process for recapitalization. Mergers, Acquisitions and capital market activities are also being encouraged to move the banks to the next level.

STANBIC IBTC WEEKLY MONEY BULLETIN

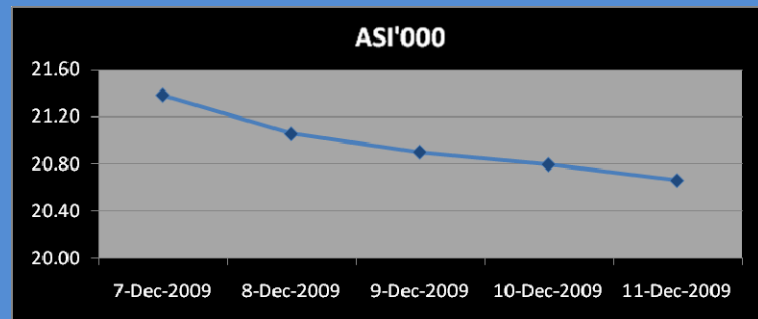
MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦49.99 billion against ₦6.64 billion of the previous week.
- ✓ The OBB rate rose to 8.00% against 2.25% in the previous week.
- ✓ Overnight rates rose to 11% against 3% in the previous week.
- ✓ 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 1.51%, compared to a loss of 1.93 % recorded in the previous week. Year-to-date performance of the ASI now stands at -34.31%.
- ✓ The price of Guaranty Trust Assurance Plc was adjusted for interim dividend of 5 kobo per share as recommended by the Board of Directors.

ASI FOR THE WEEK ENDED 11 DECEMBER 2009



MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Market is expected to be liquid as a result of the ₦373.57 billion approved by FAAC.

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

Date	Current Price (₦)
11 Dec 09	1.5061

**DAILY OMO AUCTION
FOR THE WEEK ENDED 11 DEC 2009**

Week 47	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
SEC	Securities & Exchange Commission
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
FIRS	Federal Inland Revenue Service
CIFTS	Central Bank Inter-Bank Funds Transfer System
NEFT	Nigeria Inter-Bank Settlement System Electronic Funds Transfer

FOREX DEALS FOR THE WEEK ENDED 11 DEC 2009

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
07 Dec 09	149.09	N/A	100.00	265.93	100.00
09 Dec 09	148.00	N/A	300.00	237.08	237.08
Total		N/A	400.00	503.01	337.08
Average	148.55	N/A	200.00	251.51	168.54

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
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 11 DEC 2009**

Week 47	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
10 Dec 09	3.6250	91 days	15.0000	15.0000
10 Dec 09	5.2150	182 days	30.0000	30.0000
10 Dec 09	5.2990	365 days	30.0000	30.0000
			75.0000	

TENOR	11 - Dec	10 - Dec	09 - Dec	08 - Dec	07 - Dec
Call	10.7083	10.6667	8.7500	5.7500	2.8333
7-Day	12.4167	11.7500	10.6667	7.9167	5.6667
30-Day	15.2917	15.0000	14.9583	13.6667	12.6667
60-Day	16.0833	15.9167	15.8333	14.7083	13.9583
90-Day	16.6250	16.6667	16.3750	15.6667	14.9583
180-Day	17.1250	16.9583	17.0833	16.3333	15.6250
365-Day	17.7500	17.4583	17.3333	16.5833	16.0833


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