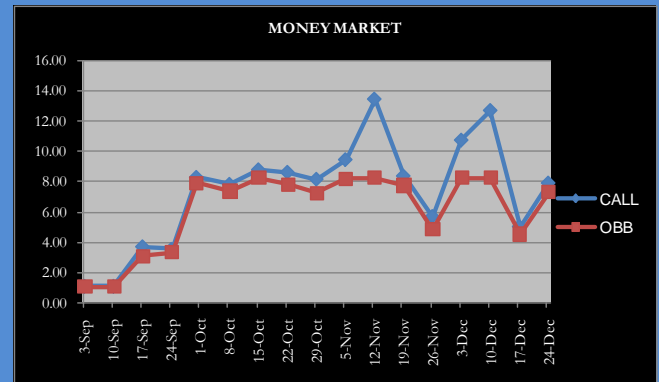


**Weekly
 Money Bulletin
 24 DECEMBER 2010**
OUTLINE

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

KEY DEVELOPMENTS

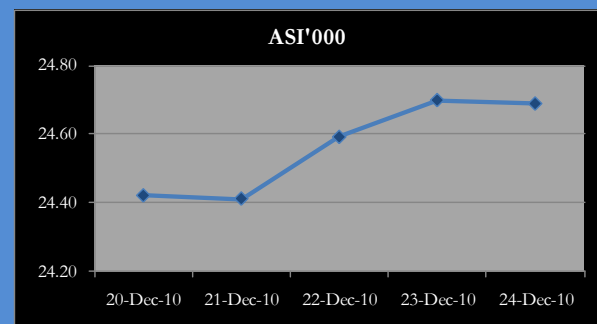
- ❖ The National Pension Commission (PENCOM) has disclosed its intention to establish a working population database in a bid to ascertain the numbers of workers in the public and private sectors of the nation and achieve full compliance and higher pension coverage. In this light, the commission is currently collaborating with other government agencies to ensure that employers covered by the Contributory Pension Scheme (CPS) are implementing the scheme for their employees whilst encouraging informal sector participation in the scheme. This renewed effort by the commission alongside the support of the various tiers of government is expected to improve compliance levels and promote informal sector participation in the scheme. The Commission has also disclosed that particular attention would be given to the development of the corporate bond market and the introduction of multi-funds alongside the development of intensive enlightenment campaigns to improve the level of understanding of the pensions reform and achieve full compliance.
- ❖ The Senate has approved the borrowing of \$1.537 billion of the \$3.702 external loan earlier requested by President Goodluck Jonathan to develop infrastructure in the transportation and power sectors. According to an interim report on the external borrowing plan of the government, the Senate Committee disclosed that it rejected the request from the Federal Government to borrow \$1 billion for Abuja light rail from the People's Republic of China. Further to this, the Senate also failed to approve the request by State governments to join in the borrowing plans due to lack of relevant information on the facilities. Sequel to a critical analysis of the aggregate information obtained, the committee concluded that the following facilities/projects be undertaken, "African Development Bank, ADB, facility of US\$152.2 million for Economic and Power Sector Reform Programme." "Export/Import Bank of China facility of US\$900 million for Abuja-Kaduna Railway Gauge Line/National Security. "International Development Association, IDA, a World Bank Concessionary Loan Window facility of US\$315 million for Public Private Partnership, PPP. "French Development Agency, FDA, facility of US\$170 million for National Electricity and Gas Improvement Project, NEGIP.
- ❖ Following its application for a regional banking licence, Wema Bank Plc is set to close 17 of its branches located in the South-West and Northern parts of the country. The closure of those branches was necessary as the greater proportion of the bank's infrastructure was in the South-South and South-West, by virtue of its origin, accounting for 98.8 per cent of the total loan portfolio and 96.9 per cent of deposit of the bank as at October, 2010. Further to this, of the 154 branches operating across the country, 137 are located in the Western region where the bank has chosen to operate. According to the CBN new banking model, a regional bank can operate in minimum of six States and maximum 12 contiguous states and the Federal Territory, stressing that those states must be within not more two geopolitical Zones. The bank has disclosed that the choice of a regional banking status was premised on the capacity and strength of the bank in the chosen region as it would be better positioned to efficiently deploy its resources (capital, manpower and operational capacity) towards achieving better financial performance and delivery of top quality services to its customers

STANBIC IBTC PENSION WEEKLY MONEY BULLETIN
MONEY MARKET UPDATE


OBB and overnight rates both improved from 4.52% and 5.04% owing to liquidity swings in the market during the week. The rates closed at 7.31% and 7.92% respectively.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week 1.002% higher than it opened. Year-to-date performance of the ASI stands at 18.54%.
- ✓ The ₦20 billion 13% Fixed Rate Subordinated Unsecured Notes due September 2017 by United Bank for Africa (UBA) Plc was admitted on the Daily Official List on Friday, December 24, 2010.
- ✓ The Quotations Committee of Council of The Nigerian Stock Exchange on Monday, December 20, 2010 approved 2 new securities for listing valued at ₦50.5 billion as listed below: Benue State Government ₦13 billion 14% Fixed Rate Development Bond. Flour Mills of Nigeria Plc's ₦37.5 billion 12% Fixed Rate Senior Unsecured Bond 2015 Series 1.

ASI FOR THE WEEK ENDED 24 DECEMBER 2010

MARKET OUTLOOK FOR THE WEEK AHEAD

- ✓ Interbank rates should remain stable through the week as the year closes, no activity expected.

