

## Weekly Money Bulletin 11 JANUARY 2010

### OUTLINE

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

### KEY DEVELOPMENTS

- ❖ The MPC met on the 4<sup>th</sup> and 5<sup>th</sup> of January 2010 and the following decisions were taken: - (i) The MPR will remain unchanged at 6 per cent with the asymmetric corridor of interest rates remaining at 200 basis points above the MPR and 400 basis points below the MPR (ii) The CBN will extend the guarantee on all interbank transactions up till 31 December 2010, with the right to terminate the guarantee on a case-by-case basis as part of the ongoing reform process.. The CBN further clarified that in each and every circumstance, all exposures of foreign banks and inter-banks takings will be fully repaid in the event of a decision to withdraw the guarantee before 31 December 2010.
- ❖ In line with the CBN policy to ensure transparency and accountability in the banking sector, banks are required to submit to the CBN on a weekly basis, average deposit and lending rates. These rates shall be published every Wednesday in some of the national dailies and the CBN's website to enable the public and other relevant stakeholders monitor the actual lending and deposit rates of banks. Also, going forward the CBN will carry out direct third party confirmation from the users of these funds as the need arises. Any bank found to have rendered inaccurate interest rate returns capable of misinforming and misleading the public shall be sanctioned and such sanctions will be publicized by the CBN.
- ❖ In order to avoid any ambiguity and misinterpretation in the implementation of the ₦10 million maximum cap policy on single cheque and other paper-based payments, the CBN has listed the following transactions to be affected by the policy: (i) cheques, including bank drafts and manager cheques (ii) in-house cheques drawn by all classes of account holders of the same bank and/or branches (iii) across the counter cash withdrawals with cheque by customers of banks (iv) dividend or interest warrants (v) all classes of cheques that were issued prior to the take-off date of 01 January 2010, with value higher than ₦10 million. The CBN directed that all cheques issued prior to the take-off date of this policy must be presented within two weeks from 04 January 2010. Thereafter, any cheque not presented should be recalled by drawers or returned unpaid by the paying banks with the appropriate reason. The drawers affected should subsequently issue payment mandates to their bankers to do electronic transfers in favour of the payees.
- ❖ The CBN has approved the establishment of a credit bureau for risk management, banking preservation and reporting. The credit bureau is a partnership between CRC Credit Bureau Limited and twelve banks, namely Diamond, Access Bank, Bank PHB, First Bank, FCMB, Guaranty Trust Bank, Intercontinental Bank, Oceanic Bank, Stanbic IBTC, Standard Chartered Bank, Union Bank and United Bank of Africa. The bureau will facilitate access to finance by providing relevant information, especially on the borrower's history and behavior for loan applicants. The establishment of the bureau is in line with the initiative to implement the three "Rs" – Reporting, Regulation and Risk management to ensure sustainability in the Nigerian financial system.

## STANBIC IBTC WEEKLY MONEY BULLETIN

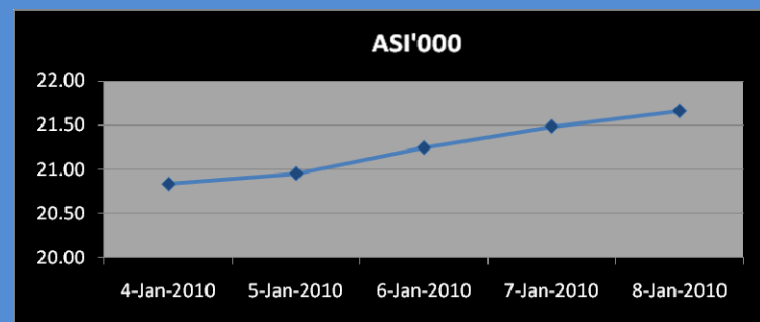
### MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦32.81 billion, being the first trades of 2010.
- ✓ The OBB rate closed at 2.38%.
- ✓ Overnight rate closed at 2.80%

### THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 3.99%, compared to a gain of 1.45% recorded in the previous week. Year-to-date 2010 performance of the ASI now stands at 3.99%.
- ✓ Investment & Allied Insurance (IAINSURE) was placed on full suspension during the week by the NSE, following the receipt of a letter from the SEC that the activities of the Company were being investigated.
- ✓ The third redemption payment in respect of Access Bank Plc's ₦13.5 billion 3-Year Redeemable Convertible Bond has been effected. In accordance with the terms of the Trust Deed, the bond is expected to be redeemed in four equal redeemable payments (25% each). Consequently, the final redemption payment equal to 25% is expected to be effected on 15 June 2010.
- ✓ The Board of Directors of SCOA Nigeria Plc is recommending a dividend of 10 kobo per share. The date of closure of register of members is 13 January 2010 while payment date is 23 February 2010
- ✓ The Board of Directors of Afromedia Plc is recommending a dividend of 5 kobo per share. The date of closure of register of members is 05 February 2010 while payment date is 01 April 2010.

### ASI FOR THE WEEK ENDED 08 JANUARY 2010



### MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Market is expected to remain liquid as FAAC inflow of ₦200 billion is expected with the week.

**IBTC RSA FUND PRICE FOR THE WEEK ENDED  
08 JANUARY 2010**

Date	Current Price (₦)
08 Jan 10	1.5267

**DAILY OMO AUCTION  
FOR THE WEEK ENDED 08 JAN 2010**

Week 02	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
FAAC	Federation Accounts Allocation Committee
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
NAICOM	National Insurance 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

**FOREX DEALS FOR THE WEEK ENDED 08 JAN 2010**

WDAS	Marginal Rate (₦/\$)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
04 Jan 10	147.60	N/A	200.00	122.05	122.05
06 Jan 10	147.91	N/A	100.00	155.81	100.00
Total		N/A	300.00	277.86	222.05
Average	147.76	N/A	150.00	138.93	111.03

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE  
WEEK ENDED 08 JAN 2010**

Week 02	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
	-	91 days	-	-
	-	182 days	-	-
	-	364 days	-	-

TENOR	08 - Jan	07 - Jan	06 - Jan	05-Jan	04- Jan
Call	2.8333	2.9167	2.8750	3.0000	3.0000
7-Day	7.0417	7.0833	7.0417	6.6667	7.2083
30-Day	13.2500	13.2083	13.1667	12.7500	13.4583
60-Day	14.5833	14.5833	14.7917	14.2083	14.7083
90-Day	15.7917	15.5417	15.9167	15.2917	16.1250
180-Day	16.2083	16.1667	16.5417	15.8750	16.7500
365-Day	16.7083	16.7083	16.9167	16.2917	17.2083

**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


**MoneyBulletin**

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