

Weekly Money Bulletin 25 JANUARY 2010

OUTLINE

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

KEY DEVELOPMENTS

- ❖ NAICOM has set 31 March 2010 deadline for insurance companies already operating outside to file in reports on their offshore operations. This is on the back of the regulator's discomfort with the speed at which insurance companies are going offshore to open subsidiaries when there are untapped opportunities in the local market. The Commission would also no longer allow offshore expansion unless the company involved convinces the Commission that it was extremely important to do so. Currently no fewer than five insurance companies have left Nigerian shores to open subsidiaries abroad.
- ❖ The CBN has unveiled a new set of guidelines for tenure of managing director of banks. According to these guidelines, all CEOs that would have served for ten years by July 2010 shall cease to function in that capacity and shall hand over to their successors. Where a bank is a product of a merger, acquisition or takeover or any other form of combination, the ten years shall include pre and post combination service years of a CEO, provided the bank which he served as a CEO was part of the new banks that emerged after the combination. Any person that has served as CEO for the maximum tenure in a bank shall not qualify for an appointment in that bank or its subsidiary until after a period of three years of his exit as CEO. Affected CEOs are expected to draw up succession plans towards their exit and institute a credible succession programme that would be approved by the board and subject to supervision and monitoring by the CBN. Also top officials of the CBN and NDIC shall not be eligible for appointment in any capacity in banks until after the expiration of five years from the date of their exit from the CBN or NDIC. Departmental Directors of the CBN and NDIC shall not be eligible for appointment in any capacity in banks and subsidiaries until after the expiration of three years from the date of their exit from the CBN or NDIC as the case may be.
- ❖ The year-on-year Consumer Price Index ("CPI") for December 2009 reflected a fall to 12.00% from 12.40% which was recorded for November 2009. Price of all items in the inflation basket except farm produce rose by 0.1% in the month of December due to slight increase in cooking gas, liquid fuels and some household goods and equipment. This brings the percentage change in the CPI for the 12-month ending December 2009 to 12.40% compared to 12.60% for the period ended November 2009.
- ❖ The FG recently raised ₦75 billion through the Debt Management Office ("DMO"). The 3-year, 10-year and 20-year FGN Bonds were re-opened at the DMO's first auction this year held on 20 January 2010. ₦38.50 billion of the 3-year bond was allotted at a marginal rate of 6.83%, while ₦25 billion and ₦30 billion of the 10-year and 20-year FGN Bonds were allotted at marginal rates of 8.14% and 8.50% respectively. The FG in addition, issued ₦18.50 billion worth of 3-year bonds on a non-competitive bid basis to the CBN at a marginal rate of 6.8299%. At the last auction held on 18 November 2009, the marginal rates for the 3-year, 10-year and 20-year bonds were 6.75%, 8.32% and 8.50% respectively.

STANBIC IBTC WEEKLY MONEY BULLETIN

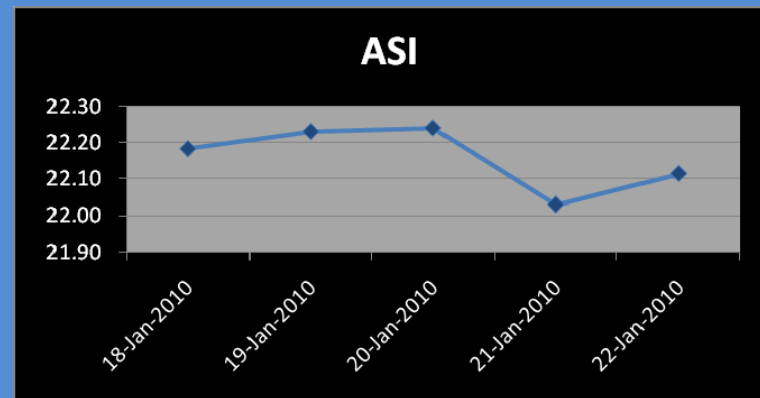
MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦74.03 billion against ₦71.90 of the previous week.
- ✓ The OBB rate closed at 2.25% from 2.38% of the previous week.
- ✓ Overnight rate closed at 2.54% from the previous week's 2.58%.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 0.25%, compared to a gain of 1.85% recorded in the previous week. Year-to-date 2010 performance of the ASI now stands at 6.18%.
- ✓ Fund Managers of Stanbic IBTC Guaranteed Investment Fund, Stanbic IBTC Nigerian Equity Fund, and Stanbic IBTC Ethical Fund are recommending a Coupon on ₦8.50, ₦45.00, and 3 kobo per note respectively. The date of closure of register of note holders is 16th February 2010 while payment date would be announced later.

ASI FOR THE WEEK ENDED 22 JANUARY 2010



MARKET OUTLOOK FOR THE NEW WEEK.

- ❖ Money market is expected to remain liquid in the new week, on the strength of ₦236billion from the Excess Crude Account received last week.

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

Date	Current Price (₦)
22 Jan 10	1.5368

**DAILY OMO AUCTION
FOR THE WEEK ENDED 22 JAN 2010**

Week 04	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
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
CEO	Chief Executive Officer
NDIC	Nigeria Deposit Insurance Corporation
DMO	Debt Management Office

FOREX DEALS FOR THE WEEK ENDED 22 JAN 2010

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
18 Jan 10	148.03	N/A	350.00	356.35	350.00
20 Jan 10	148.13	N/A	150.00	182.41	150.00
Total		N/A	500.00	538.76	500.00
Average	148.08	N/A	250.00	269.38	250.00

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 22 JAN 2010**

Week 04	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
	-	91 days	-	-
	-	182 days	-	-
	-	364 days	-	-

TENOR	22 - Jan	21 - Jan	20 - Jan	19-Jan	18- Jan
Call	2.5417	2.5417	2.5000	2.5833	2.5417
7-Day	5.9167	5.8333	5.8750	6.0000	6.2917
30-Day	12.3333	12.3333	12.2083	12.2083	12.1250
60-Day	13.6667	13.7500	13.7500	13.5417	13.7500
90-Day	14.5333	14.5417	14.5333	14.3750	14.9583
180-Day	15.2917	15.2917	15.2500	15.2917	15.5000
365-Day	15.8417	15.8750	15.6333	15.6250	15.9583

STOP RATES ON THE 5TH & 6TH FGN BONDS

Issue Date	Tenor/ Years	Amt Offered (₦)Bn	Allotment (₦)Bn	Stop Rate (%)
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
20 Jan 2010	3	20.000	20.000	6.8299
20 Jan 2010	10	25.000	25.000	8.1400
20 Jan 2010	20	30.000	30.000	8.5000


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