

Weekly

Money Bulletin

01 FEBRUARY 2010

OUTLINE

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

KEY DEVELOPMENTS

- ❖ In a bid to verify the integrity of the 31 December 2009 common year end results, the CBN and NDIC will today 01 February 2010, commence a joint target examination of the twenty four banks in the country. The examiners are expected to scrutinize the financials of the banks for any unusual transaction which might put them on enquiry. The exercise, which is expected to be completed within the next three weeks, is to enable the CBN approve the financial accounts of banks for the year ended 31 December 2009, which must state both the income and expenditure of the respective banks.
- ❖ The NSE has slashed transaction charges on bonds as part of efforts to encourage more issues in the bond market. FGN bonds floated in the primary market in form of new issues, will now attract an annual listing fee of ₦20 million, irrespective of the bonds listed by the DMO. In the secondary market, the NSE will charge ₦1 per million on daily trading and N1 per million as the underlying charge on the sell side; while CSCS will charge N1 per million on both buy and sell sides. Stockbrokers will now charge ₦5 per million on the traded bonds on both buy and sell sides. On state, local governments, and corporate bonds, annual listing fees in the primary market remain on a sliding scale with charges ranging from ₦189,000 for issues less than ₦50 million, to a maximum of N4.2 million for issues greater than ₦200 billion. In the secondary market, the NSE will now charge ₦5 per million on the sell side, while CSCS and stockbrokers will charge N10 per million on both buy and sell side each respectively.
- ❖ The FG has put forward an initiative that would allow Nigerians own equity stake in the Nation's oil assets when the Joint Ventures holding owned by NNPC and International Oil Companies (IOCs) are converted into Incorporated Joint Ventures (IJVs) and the stocks floated on the NSE. This initiative is contained in the proposed Petroleum Industry Bill ('PIB'). Nigerians would be free to acquire nine per cent of the IJVs while the oil producing communities would get ten per cent, except in the Shell Joint Venture where only four per cent would be available to Nigerians. However, no single Nigerian would be allowed to acquire more than 0.01 per cent of the IJVs shares. Similarly, ten per cent of the net revenue profit from crude oil sales would be reserved for oil producing communities. The revenue accruing to the oil producing companies would be managed on their behalf by a trust company that would be established by the government and made up of representatives of the communities, including fund managers who would advise on how to manage the funds. Currently, the FG holds sixty per cent stake in all JV agreements while the IOCs hold forty per cent, except in the case of Shell Joint Venture where the FG holds fifty five per cent and the oil companies hold forty five per cent.
- ❖ The CBN has introduced new conditions for MDs and CEOs of Micro Finance Banks ('MFBs') to stay in office. One of such conditions is the ability to pass fresh examinations that would be set for them by the CBN. The CBN will commence training of the MFBs in the second quarter of 2010 and any CEO who fails to pass the exams after two attempts will cease to manage the banks. The aim of this exercise is to enhance MFBs' outreach and sustainability. There

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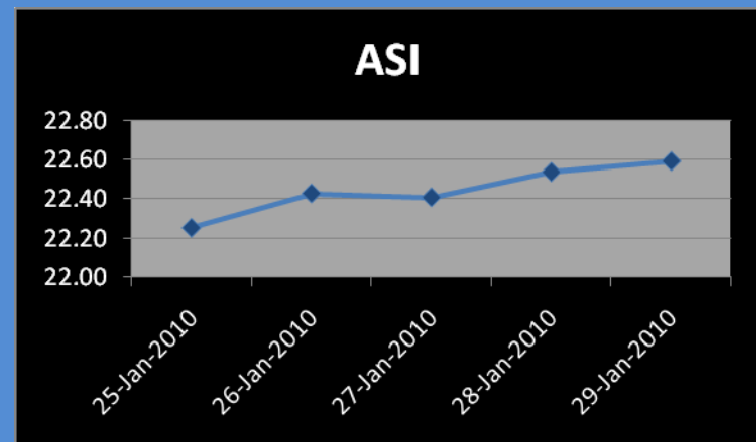
MONEY MARKET UPDATE

- ✓ There was a net outflow of ₦20.00 last week in the Treasury Bills Market
- ✓ The FX market witnessed a net outflow of ₦59.50 billion against ₦74.03 in the previous week.
- ✓ The OBB rate closed at 2.20% from 2.25% in the previous week.
- ✓ Overnight rate closed at 2.46% from 2.54% in the previous week.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 2.17%, compared to a gain of 0.25% recorded in the previous week. Year-to-date 2010 performance of the ASI now stands at 8.49%.
- ✓ The Board of Directors of Vitafoam Plc has recommended a dividend of 25 kobo per share. The date of closure of register is 15 February 2010 while payment date is 19 March 2010

ASI FOR THE WEEK ENDED 29 JANUARY 2010



MARKET OUTLOOK FOR THE NEW WEEK.

- ✓ Money market is expected to remain liquid due to a surplus of ₦350 billion from FAAC and Excess Crude Account.

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Board of Directors

A N A Peterside (Chairman), Obinnia Abajue (Chief Executive Officer), Sola David-Borba, Chris Newson, Mallam Ahmed Dasuki, Okey Nwuke., Fajemisin Eric, Yinka Sanni

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

Date	Current Price (₦)
29 Jan 10	1.5466

**DAILY OMO AUCTION
FOR THE WEEK ENDED 29 JAN 2010**

Week 05	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
MD	Managing Director
DMO	Debt Management Office
CBN	Central Bank of Nigeria
NDIC	Nigeria Deposit Insurance Corporation
CSCS	Central Securities Clearing System
MFB	Microfinance Bank

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)
25 Jan 10	148.63	N/A	150.00	318.92	150.00
27 Jan 10	148.83	N/A	250.00	418.38	250.00
Total	297.46	N/A	400.00	737.30	400.00
Average	148.73	N/A	200.00	368.65	200.00

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

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 29 JAN 2010**

Week 05	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
28 Jan 2010	3.1985	91 days	10.00	10.00
28 Jan 2010	4.7300	182 days	30.00	30.00
		364 days	-	-
Total			40.00	

TENOR	29 - Jan	28 - Jan	27 - Jan	26-Jan	25- Jan
Call	2.4583	2.4583	2.4333	2.4667	2.4667
7-Day	6.0000	5.7083	5.6250	5.6250	5.5000
30-Day	11.9167	11.7750	11.4167	11.6667	11.9167
60-Day	13.0833	13.0417	13.0000	13.1250	13.1667
90-Day	14.2917	14.0000	13.6667	13.8333	14.1667
180-Day	14.8333	14.5833	14.1250	14.5833	14.1667
365-Day	15.2500	15.0417	14.8750	15.0000	15.3750



MoneyBulletin

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