

Weekly

Money Bulletin

08 FEBRUARY 2010

OUTLINE

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

KEY DEVELOPMENTS

- ❖ The FG in a move to encourage the payment of income taxes and encourage investment has approved a reduction in the rates applicable for payment of Company, as well as Personal Income Taxes. The new tax policy reduces Companies' Income Tax ("CIT") from 30 per cent to 20 per cent, and Personal Income Tax ("PIT") from 25 per cent to 17.5 per cent. Value Added Tax ("VAT") is however left unchanged at 5 per cent. The FG has also proposed that all tax/revenue authorities in Nigeria adopt widespread taxpayer education strategies to enable taxpayers understand tax compliance procedure required to meet tax obligations. Tax incentives are also being considered for the energy (power, oil and gas), mining, railways/roads, education, health, aviation, exports and agricultural sectors to facilitate growth and development.
- ❖ The CBN has set out four recapitalization options for the nine bailed out banks in the country. The four options outlined by the CBN are injection of capital, discussions with strategic investors, liquidation and nationalization. Three financial advisers, two legal advisers and two accounting firms which have earlier been appointed by the CBN will, in conjunction with the board and management of each of the nine banks, ensure that the recapitalization options adopted by any of the banks is in the best interest of the bank. The appointed financial advisers are Deutsche Bank, Stanbic IBTC and Chapel Hill Denham. The two accounting firms are KPMG and Deloitte, while the two legal advisers are Kola Awodeyin & Co and Okanlawon Ajayi & Co.
- ❖ The CBN has commenced a target examination of Microfinance Banks ("MFBs") in Nigeria, in line with its promise to resolve the crisis in the sub-sector. In the first phase, the 200 MFBs in Lagos would be assessed and the weak banks identified. The aim of the examination is to assess the banks' capital adequacy, liquidity and corporate governance with a view to making quality policy and regulatory decisions on specific Microfinance Banks in 2010. Also, concentration of more than 80 per cent of MFBs in urban areas of the country would be reviewed.
- ❖ SEC has embarked on a reform agenda in a bid to restore investor confidence in the market. Under the reform agenda, SEC will ensure zero tolerance policy to urgently address governance weakness, capacity deficiencies, and increase the depth, breadth, and sophistication of the market. SEC also plans to improve efficiency and cost effectiveness in all aspects of the market, strengthen regulatory oversight, enhance disclosure, transparency and accountability, establish strong institutions across the market and instill principles of risk management into capital market operations.

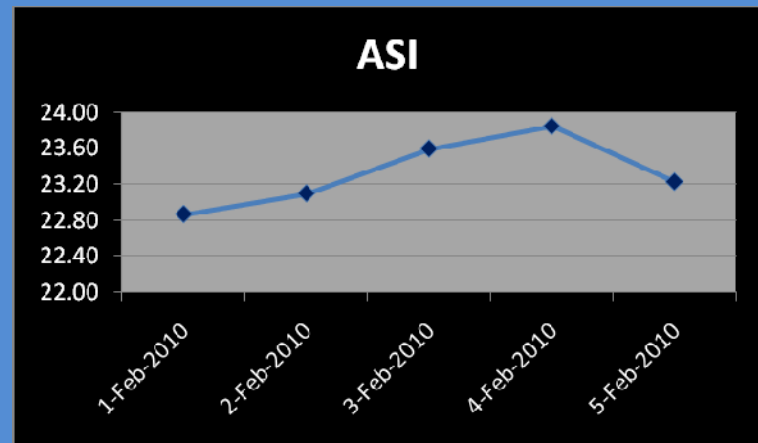
STANBIC IBTC WEEKLY MONEY BULLETIN

MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦81.95 billion against ₦59.50 billion in the previous week.
- ✓ The OBB rate closed at 2.10% from 2.20% in the previous week.
- ✓ Overnight rate remained stable at 2.36%.

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a gain of 2.79%, compared to a gain of 2.17% recorded in the previous week. Year-to-date 2010 performance of the ASI now stands at 11.52%.
- ✓ The Board of Directors of Afromedia Plc has proposed a dividend of 5 kobo per share. The date of closure of register is 05 February 2010 while payment date is 01 April 2010.
- ✓ Chevron Oil Nigeria Plc notified the Exchange of the change of name to MRS Oil Nigeria Plc as approved by the shareholders.
- ✓ Custodian & Allied Insurance Plc officially announced its intention to embark on a Buyback of 5 per cent of shares in issue.
- ✓ **ASI FOR THE WEEK ENDED 05 FEBRUARY 2010**



MARKET OUTLOOK FOR THE NEW WEEK.

- ✓ Money market is expected to remain liquid due to an excess of N300 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
05 FEBRUARY 2010**

Date	Current Price (₦)
05 Feb 10	1.5466

**DAILY OMO AUCTION
FOR THE WEEK ENDED 05 FEB 2010**

Week 06	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
CBN	Central Bank of Nigeria
MFB	Microfinance Bank
FAAC	Federal Account Allocation Committee
SEC	Securities and Exchange Commission
MFBs	Microfinance Banks

FOREX DEALS FOR THE WEEK ENDED 05 FEB 2010

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
01 Feb 10	149.00	N/A	250.00	280.55	250.00
03 Feb 10	148.94	N/A	300.00	316.27	300.00
Total	297.94	N/A	550.00	596.82	550.00
Average	148.97	N/A	275.00	298.41	275.00

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 05 FEB 2010**

Week 06	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
	-	91 days	-	
	-	182 days	-	
	-	364 days	-	
Total	-		-	

TENOR	05 - Feb	04 - Feb	03 - Feb	02 - Feb	01 - Feb
Call	2.3583	2.3500	2.4333	2.4000	2.4333
7-Day	5.7083	5.4583	5.5000	5.7083	5.5833
30-Day	11.3750	11.5000	11.5833	11.4167	11.6667
60-Day	12.8333	12.9583	13.0833	12.8750	13.0417
90-Day	13.5417	13.6583	13.7917	13.6583	13.9167
180-Day	14.2083	14.2917	14.4583	14.2917	14.5000
365-Day	14.6667	14.7500	2.4333	15.0000	15.0000



MoneyBulletin

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