

Weekly

Money Bulletin

15 FEBRUARY 2010

OUTLINE

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

KEY DEVELOPMENTS

- ❖ In a bid to consolidate the gains of its debt management profile in the country, the FG plans to raise about ₦1 trillion to finance budget deficits and some maturing obligations in 2010. The DMO would raise ₦867 billion to fund budget deficits in 2010, an increase of about 66 per cent on ₦524 billion raised to finance budget deficits in 2009. Also, the FG would issue Nigeria's first international sovereign bond by reactivating the \$500 million Nigerian Sovereign Bond offer, which was suspended last year during the global economic crisis thereby making up the ₦1 trillion likely required to fund the 2010 budget deficit. The DMO, through domestic bond issues, has been the major source of financing of budget deficits since 2003 as opposed to using the CBN's means to finance deficits. Nigeria's debt profile currently stands at ₦3.8 trillion comprising largely of domestic debts of ₦3.2 trillion and foreign debts of \$3.95 billion.
- ❖ Following strong interest from local and foreign investors, the CBN has concluded plans to sell the bailed out banks before the end of April 2010. The CBN has carried out technical due diligence and is currently selecting partners acceptable to the banks. Shareholders and depositors would be able to negotiate with the new investors on the terms of sales. However, finalizing the deals depends on the ability of the National Assembly to pass the Asset Management Company Bill ('AMC').
- ❖ The CBN is planning to put in place a new bank holding structure that is expected to end the challenging era of Universal Banking. Under the new banking regime, some banks may no longer require ₦25 billion capital base as different categories of banks would emerge, such as commercial banks, investment banks (under which capital business will fall) and insurance business. Banks who want to operate globally may require ₦100 billion while others may want to operate nationally and require ₦25 billion. This new review of the banking sectors aims at allowing banks concentrate on their different areas of strength.
- ❖ The National Insurance Commission ("NAICOM") in a bid to resolve the problem of outstanding premiums in the insurance industry has introduced stringent measures such as: Brokers are not to reflect outstanding premiums in their books and they must reconcile their statements of account for insurance transactions with affected insurers and reinsurers on a quarterly basis; Insurers and re-insurers are also required to write-off half of the value of premium debts owed them for between 3 and 6 months hence premium debts with age beyond 6 months are to be written off. These new measures are contained in the 2010 guidelines for insurance operators recently released by the commission with agency, broking, loss adjusting, underwriting and reinsurance being the main arms of the industry affected.

STANBIC IBTC WEEKLY MONEY BULLETIN

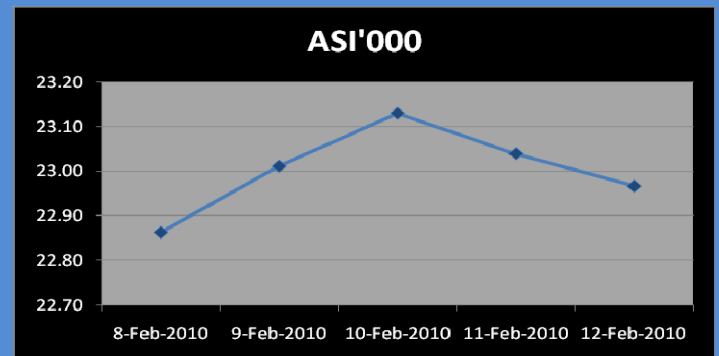
MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦74.30 billion against ₦81.95 billion in the previous week.
- ✓ The OBB rate closed remained stable at 2.10%
- ✓ The Overnight rate closed at 2.38% from 2.36% in the previous week

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of 1.12%, compared to a gain of 2.79% recorded in the previous week. Year-to-date 2010 performance of the ASI now stands at 10.28%.
- ✓ Afprint Nigeria Plc was placed on full suspension on 12 February 2010 on receiving the request from the Board of Directors preparatory to delisting from the NSE. Shareholders are to be offered ₦1.50 which translates into a 74.4% premium over its current market price of ₦0.86k

ASI FOR THE WEEK ENDED 12 FEBRUARY 2010



MARKET OUTLOOK FOR THE NEW WEEK.

- ✓ Money market is expected to remain liquid due to an inflow of about ₦200 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
12 FEBRUARY 2010**

Date	Current Price (₦)
12 Feb 10	1.5582

**DAILY OMO AUCTION
FOR THE WEEK ENDED 12 FEB 2010**

Week 07	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
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
DMO	Debt Management Office
AMC	Asset Management Company
ATM	Automated Teller Machine

FOREX DEALS FOR THE WEEK ENDED 12 FEB 2010

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
08 Feb 10	148.60	N/A	250.00	257.00	250.00
10 Feb 10	148.64	N/A	250.00	218.00	250.00
Total	297.20	N/A	500.00	475.00	500.00
Average	148.60	N/A	250.00	237.50	250.00

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 12 FEB 2010**

Week 07	Stop Rate (% p.a.)	Tenor	Bids Received (₦) Billion	Amount Sold (₦) Billion
10 Feb 10	2.6450	91 days	18.951	5.110
10 Feb 10	4.2300	182 days	88.767	30.000
10 Feb 10	4.5500	364 days	127.03	30.000
Total			234.748	65.110

TENOR	12 - Feb	11 - Feb	10 - Feb	09 - Feb	08 - Feb
Call	2.3750	2.3000	2.3250	2.3750	2.3667
7-Day	5.6250	5.6250	5.6250	5.6667	5.7500
30-Day	11.5000	11.4167	11.5417	11.3750	11.3333
60-Day	12.7500	12.5417	12.5000	12.6250	12.5000
90-Day	13.6667	13.3750	13.1250	13.3333	13.3333
180-Day	14.4167	14.2083	13.6667	13.9167	14.0833
365-Day	15.0000	15.0000	14.2083	14.4583	14.7500

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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