Stanbic IBTC Pension Managers

MoneyBulletin

Weekly Money Bulletin

01 MARCH 2010

OUTLINE

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

STANBIC IBTC WEEKLY MONEY BULLETIN

KEY DEVELOPMENTS

- The CBN has unveiled its blueprint for the reform of the banking sector, which is built on four pillars. The four pillars of the reforms are: enhancing the quality of banks, establishing the quality of banks, establishing financial stability; enabling healthy financial sector evolution and ensuring that the financial sector contributes to the real sector. On enhancing the quality of banks, monetary authorities would initiate a five-part programme to enhance the operations and quality of banks. It would consist of industry remedial programmes to fix the key causes of the banking crisis, implement risk-based supervision, reform regulations and regulatory framework. The CBN, in establishing financial stability, will also seek to strengthen the financial stability committee within the CBN and establish a hybrid monetary policy. It would also include the development of directional economic policy and counter-cyclical fiscal policies by the government and further development of capital markets as alternative to bank funding.

- The NSE has forwarded an application to the SEC seeking permission to set up an Alternative Investment Market ("AIM"). The proposed market is designed to encourage firms, especially those that have embarked on private placement, to list on the floor of the NSE after required conditions have been met. Under the new regime, the NSE will waive its application or entry fee and accept only 50 per cent of the applicable listing fees for companies coming through the window. The maximum currently payable by any company is ₦4.2 million, while the minimum is ₦189,999. Audited accounts older than nine months will be accepted but issuers will provide all interim management accounts. In a situation where the issuer already has a full year unaudited accounts, such an issuer will provide an undertaking to the NSE stating that the outstanding account will be audited and submitted within 90 days.

- SEC has concluded plans to restructure the operations of registrars in the market as part of efforts to make the market more attractive to investors. Many investors are discouraged from the market partly due to stress faced while interfacing with registrars. Issues such as non-receipt of share certificates, dividend warrants, bonus and return money among others. One of the steps being considered by SEC is to stop registrars, which are either banks or other big companies, from handling primary share offerings of their parent companies.

- The CBN has put in place mechanism to end the lull in Nigeria's real sector. The new system will involve commercial banks and state governments collaborating to finance specific projects in the area of power, infrastructure and agriculture. In the course of the year, the CBN will announce a number of other measures to inject money into the real sector of the economy. It is hoped that this mechanism will also pave the way for the sustained recovery of the financial sector.

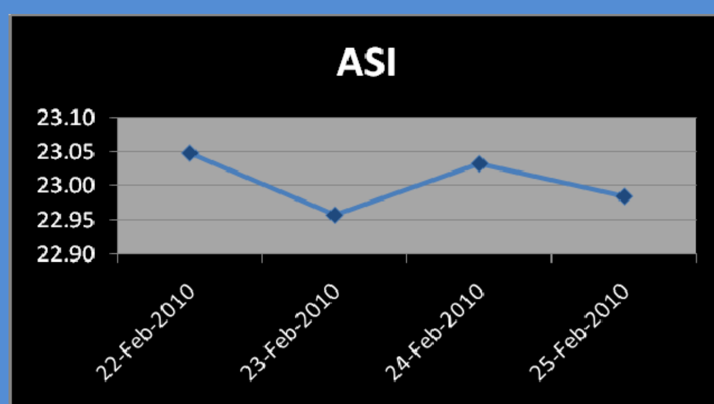
MONEY MARKET UPDATE

- ✓ The FX market witnessed a net outflow of ₦59.43 billion against ₦74.30 billion in the previous week.
- ✓ The OBB rate closed at 2.05% from 2.10% in the previous week.
- ✓ The Overnight rate closed at 2.20% from 2.38% in the previous week

THE CAPITAL MARKET UPDATE

- ✓ The ASI closed the week with a loss of -0.79%, compared to a gain of 1.12% recorded in the previous week. Year-to-date 2010 performance of the ASI now stands at 10.36%.
- ✓ The Board of Directors of Nestle Nigeria Plc is recommending a final dividend of ₦10.60 per share. The date of closure of register is 16 April 2010 while payment date is 28 April 2010.
- ✓ The Board of Directors of Nigerian Breweries Plc is recommending a final dividend of 89 kobo per share. The date of closure of register is 12 March 2010 while payment date is 20 May 2010.
- ✓ The technical suspension on African Paints (Nig) Plc was lifted on 24 February 2010.

ASI FOR THE WEEK ENDED 25 FEBRUARY 2010



MARKET OUTLOOK FOR THE NEW WEEK.

- ✓ Money market is expected to remain liquid due to an excess of ₦600 billion from the Excess Crude Account ("ECA") and FAAC.

IBTC RSA FUND PRICE FOR THE WEEK ENDED 25 FEBRUARY 2010

Date	Current Price (₦)
25 Feb 10	1.5639

DAILY OMO AUCTION FOR THE WEEK ENDED 25 FEB 2010

Week 09	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
AIM	Alternative Investment Market
SEC	Securities & Exchange Commission

FOREX DEALS FOR THE WEEK ENDED 25 FEB 2010

WDAS	Marginal Rate (₦/$1)	No. of Banks	Amount on Offer ($Mn)	Demand ($Mn)	Amount Sold ($Mn)
22 Feb 10	148.60	N/A	250.00	289.21	250.00
24 Feb 10	148.61	N/A	250.00	271.24	250.00
Total	297.21	N/A	500.00	560.45	500.00
Average	148.61	N/A	250.00	280.23	250.00

TREASURY BILLS PRIMARY MARKET AUCTION FOR THE WEEK ENDED 25 FEB 2010

Week 09	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
25 Feb 10	2.0200	91 days	-	-
	-	182 days	-	-
	-	364 days	-	-
Total			-	-

TENOR	26 - Feb	25 - Feb	24 - Feb	23 - Feb	22 - Feb
Call	-	2.2083	2.2167	2.2167	2.2583
7-Day	-	4.0147	4.0417	4.2083	4.7917
30-Day	-	8.8333	8.9167	8.6667	9.0833
60-Day	-	11.4583	11.6667	11.2500	10.6667
90-Day	-	12.7500	12.9167	12.3333	12.3333
180-Day	-	13.6250	14.0417	13.3333	13.3750
365-Day	-	14.8333	15.1667	14.1250	14.1667

STOP RATES ON THE 5TH & 6TH FGN BONDS

Issue Date	Tenor/ Years	Amt Offered (₦'Bn)	Allotment (₦'Bn)	Stop Rate (%)
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
19 Feb 2010	3	20.000	20.000	5.5000
19 Feb 2010	10	25.000	25.000	7.1500
19 Feb 2010	20	30.000	30.000	8.0200

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