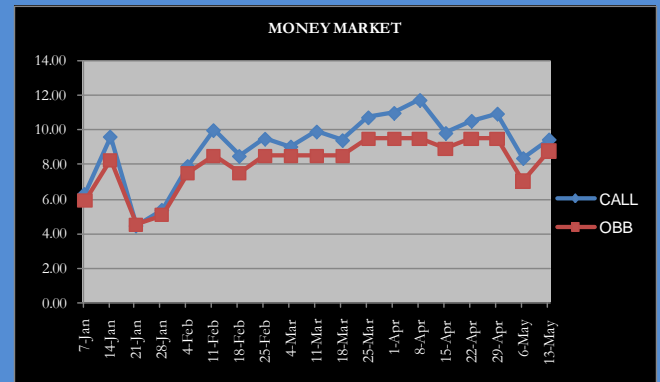


**Weekly
 Money Bulletin
 13 MAY 2011**
OUTLINE

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

STANBIC IBTC PENSION WEEKLY MONEY BULLETIN
KEY DEVELOPMENTS

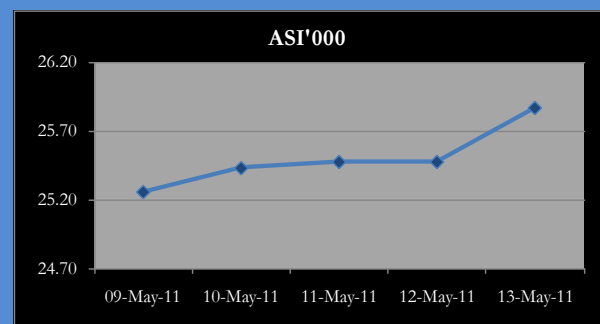
- ❖ The Senate recently passed the Nigerian Sovereign Investment Authority (NSIA) Bill which seeks to invest a portion of the excess profit made from crude oil sales in the Sovereign Wealth Fund to be held and managed by the proposed NSIA although the bill still needs a concurrent House of Representatives assent. The NSIA automatically replaces the Excess Crude Account (ECA), launched in 2003. The ECA has been criticized as lacking a clear legal basis on which oil windfall savings in the account should be shared by the three tiers of government: Federal, the States and local councils. The bill would comprise three separate funds: Future Generations Fund, Nigerian Infrastructure Fund and Stabilization Fund. The Future Generations Fund reflects the desire “to ensure that a part of today’s resources are saved, increased financially and utilized for the future development of the economy over the decades to come.” The Nigeria Infrastructure Fund has the objective of assisting the development of critical infrastructure in Nigeria and the diversification of the economy whilst the Stabilization Fund would also ensure that the nation conducts a sound and responsible fiscal policy, while reducing the effects of the “boom and bust” commodity cycle of oil on Nigeria.
- ❖ The Chairman of the Board of the Securities and Exchange Commission (SEC), Senator Udoma Udo Udoma, has disclosed that SEC is working with other regulators in the West African region to facilitate the formation of a single stock exchange in order to take care of the challenges of cross border listings on exchanges in the region. Regulators in the region are currently looking at securities rules in various countries to harmonize them so as to ensure the success of the plan. The Board is currently strengthening its rules in Nigeria to make the country’s stock exchange stronger and hereafter, the Board will look to bring other exchanges to form a single stock market in West Africa. Identified challenges currently facing the SEC at the moment were low liquidity, excessive market concentration, inactivity of the Abuja Securities and Commodity Exchange (ASCE), legal constraints and delays in judicial adjudication over cases relating to capital market activities.
- ❖ The Federal Government’s effort aimed at enthroning probity and accountability in the management of public funds has received a boost with the signing of a \$29 million contract with a major information technology firm, for the development of an application that would harmonise and integrate government’s accounting system into one treasury account. The package known as Government Integrated Financial Management Information System (GIFMIS) was sponsored by the World Bank, under its Economic Reform and Governance Project for developing countries. According to the Director – General of the Budget Office of the Federation, Dr. Bright Okogu, the package will be used for the preparation and implementation of the Federal Government’s 2012 fiscal appropriation. The introduction of the GIFMIS is in line with the Federal Government’s recent adoption of performance-based budgeting principles for monitoring of MDAs’ capacities, and is intended to ensure that the budgeting process becomes electronic.

MONEY MARKET UPDATE


OBB and Overnight rates opened the week at 7.04% and 8.38% and closed at 8.79% and 9.45% as the system’s total outflows exceeded total inflows and also in reaction to the NNPC withdrawal of N82 billion naira

THE CAPITAL MARKET UPDATE

- ✓ The week closed 2.03% higher. The Year-to-date performance of the ASI stands at 4.21%, much better than 1.03% recorded at last week’s close.
- ✓ 4(four) equity prices were adjusted for dividends as recommended by their Boards of Directors. AG Leventis for a dividend of ₦0.12, Total Plc for a dividend of ₦6.00, Lafarge WAPCO Plc for a dividend of ₦0.25 and First Bank of Nigeria for a dividend of ₦0.60 per share.

ASI FOR THE WEEK ENDED 13 MAY 2011

MARKET OUTLOOK FOR THE WEEK AHEAD

- ✓ We expect fresh inflows into the system by way of disbursements by the Federal Accounts Allocation Committee for the three tiers of government for the month of April. We expect this to have a moderating effect on interbank rates.

**IBTC RSA FUND PRICE FOR THE WEEK ENDED
13 MAY 2011**

Date	Current Price (₦)
13 May 11	1.7818

KEY TO ABBREVIATIONS

ASI	All Share Index
CBN	Central Bank of Nigeria
GDP	Gross Domestic Product
YTD	Year To Date
FX	Foreign Exchange
NSE	Nigerian Stock Exchange
FG	Federal Government of Nigeria
RSA	Retirement Savings Account
OB	Open Buy Back
OMO	Open Market Operations
WDAS	Wholesale Dutch Auction System
NIBOR	Nigerian Interbank Offered Rate
PFA	Pension Fund Administrator
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
CBN	Central Bank of Nigeria
CRR	Cash Reserve Requirement
PenCom	The National Pension Commission

FOREX DEALS FOR THE WEEK ENDED 13 MAY 2011

WDAS	Marginal Rate (₦/\$1)	No. of Banks	Amount on Offer (\$Mn)	Demand (\$Mn)	Amount Sold (\$Mn)
09 May 11	153.18	N/A	300.00	352.56	300.00
11 May 11	153.39		300.00	332.00	300.00
Total	306.57		350.00	684.56	600.00
Average	153.28		350.00	342.28	300.00

STOP RATES OF THE FGN BONDS

Issue Date	Tenor/ Years	Amt Offered (₦Bn)	Allotment (₦Bn)	Stop Rate (%)
19 Feb 2010	10	25,000	25,000	7.1500
19 Feb 2010	20	30,000	30,000	8.0200
17 Mar 2010	3	20,000	20,000	3.4800
17 Mar 2010	10	20,000	20,000	6.0000
17 Mar 2010	20	30,000	30,000	7.0000
21 Apr 2010	3	30,000	30,000	4.8600
21 Apr 2010	5	20,000	20,000	4.0000
21 Apr 2010	20	30,000	30,000	7.2400
18 May 2010	3	25,000	25,000	8.2500
18 May 2010	5	25,000	25,000	9.0000
18 May 2010	20	30,000	30,000	10.0000
23 June 2010	3	30,000	30,000	6.2400
23 June 2010	5	30,000	30,000	7.6089
23 June 2010	20	20,000	20,000	8.6900
23 July 2010	3	35,000	35,000	7.4800
23 July 2010	5	35,000	35,000	8.8500
23 July 2010	20	35,000	35,000	10.0000
18 Aug 2010	3	35,000	42,490	7.5400
18 Aug 2010	5	35,000	42,330	9.2500
18 Aug 2010	20	35,000	41,640	11.0000
24 Sep 2010	3	40,000	65,650	8.4300
24 Sep 2010	5	40,000	81,200	9.9000
24 Sep 2010	20	40,000	101,240	12.5300
20 Oct 2010	3	40,000	26,670	10.5000
20 Oct 2010	7	62,810	37,500	11.0000
20 Oct 2010	20	40,000	68,170	14.0000
18 Nov 2010	3	20,000	22,030	11.5000
18 Nov 2010	7	25,310	25,310	13.2083
18 Nov 2010	20	25,000	41,900	14.5000
16 Dec 2010	3	25,000	41,320	12.0000
16 Dec 2010	5	20,000	55,800	12.0000
16 Dec 2010	20	25,000	44,420	14.5000
19 Jan 2011	3	30,000	80,950	10.4000
19 Jan 2011	5	30,000	85,500	11.1300
18 Feb 2011	3	36,500	36,500	9.25000
18 Feb 2011	5	30,000	30,000	11.0000
16 Mar 2011	3	30,000	30,000	10.5000
16 Mar 2011	5	30,000	30,000	12.0000
21 Apr 2011	3	35,000	65,890	12.1490
21 Apr 2011	5	35,000	63,330	13.1989

**TREASURY BILLS PRIMARY MARKET AUCTION FOR THE
WEEK ENDED 13 MAY 2011**

Week 19	Stop Rate (% p.a.)	Tenor	Bids Received (₦)Billion	Amount Sold (₦)Billion
11 May 2011	8.44	91 days	92.890	39.080
11 May 2011	9.15	182 days	168.050	45.000
11 May 2011	9.45	364 days	197.540	50.000

TENOR	13- May	12- May	11- May	10-May	09-May
Call	9.4583	9.1667	8.1667	8.0417	8.5417
7-Day	9.8333	9.5417	9.0417	9.0417	9.2083
30-Day	11.2917	10.7500	10.2917	10.2500	10.9167
60-Day	11.7083	11.3750	11.0417	11.1650	11.5500
90-Day	12.3333	12.0000	11.6250	11.9167	12.0417
180-Day	12.7917	12.5833	12.2500	12.3833	12.5667
365-Day	13.4167	13.3750	12.7500	13.2500	13.0000