

# WEEKLY REVIEW OF NIGERIA'S USD500M 10-YEAR EUROBOND SECONDARY MARKET

## PERFORMANCE

JANUARY 23-27, 2012

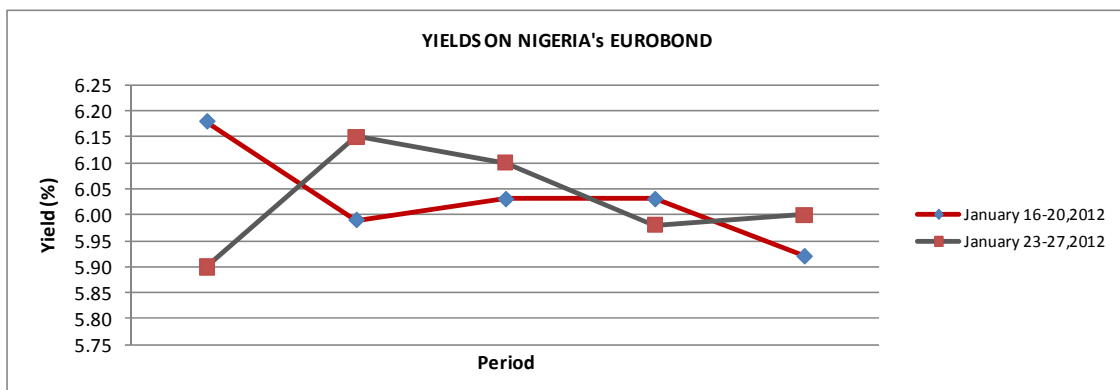
### ISSUE STATISTICS

|                       |                                      |
|-----------------------|--------------------------------------|
| <b>Issuer:</b>        | Federal Republic of Nigeria          |
| <b>Amount:</b>        | USD500m                              |
| <b>Tenor:</b>         | 10 Years                             |
| <b>Coupon:</b>        | 6.75%                                |
| <b>Issue Yield:</b>   | 7%                                   |
| <b>Issue Date:</b>    | January 28, 2011                     |
| <b>Credit Rating:</b> | BB-(Fitch)<br>B+ (Standard & Poor's) |
| <b>Maturity:</b>      | January 28, 2021                     |

**TABLE 1: WEEKLY SUMMARY**

| Date      | Closing Price (US\$) | Closing Yield (%) |
|-----------|----------------------|-------------------|
| 23-Jan-12 | 105.82               | 5.90              |
| 24-Jan-12 | 104.09               | 6.15              |
| 25-Jan-12 | 104.38               | 6.10              |
| 26-Jan-12 | 105.25               | 5.98              |
| 27-Jan-12 | 105.15               | 6.00              |

Source: Thomson Reuters



**TABLE 2: WEEK ON WEEK COMPARATIVE ANALYSIS**

| Yield (%) |          |           |          | Price (US\$) |            |             |            | Average Yield (%) |          | Average Price (US\$) |          | Price History (US\$) |                   |
|-----------|----------|-----------|----------|--------------|------------|-------------|------------|-------------------|----------|----------------------|----------|----------------------|-------------------|
| Prev. Wk  |          | Curr. Wk  |          | Prev. Wk     |            | Curr. Wk    |            | Prev. Wk          | Curr. Wk | Prev. Wk             | Curr. Wk | Lowest (6.10.11)     | Highest (20.5.11) |
| High 6.18 | Low 5.92 | High 6.15 | Low 5.90 | High 105.67  | Low 103.86 | High 105.82 | Low 104.09 | 6.03              | 6.02     | 104.91               | 104.93   | 95.770               | 113.285           |

### PERFORMANCE UPDATE FOR THE WEEK

Nigeria's Eurobond Yield opened the week at 5.90% and rose sharply by 25bps to 6.15% the following day, in reaction to market volatility predicated on renewed investor concern about potential defaults by Portugal on its sovereign debt, as yields on Portuguese Government bonds climbed to higher levels. Investor optimism was also affected by news that the on-going Greek debt negotiation with private creditors had reached an impasse. However, by mid-week, a statement released by the Federal Reserve Bank that its Benchmark Policy Rate will remain unchanged in the medium-term, impacted positively on investor confidence thereby, lowering Sovereign Bond Yields in general. Investor confidence was also boosted by the strong demand from domestic banks for the Italian and Spanish Bond Auctions. Overall, Nigeria's Eurobond's Average Weekly Price was US\$104.93 similar to US\$104.91 in the preceding week.