

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

## PERFORMANCE

JANUARY 16-20, 2012

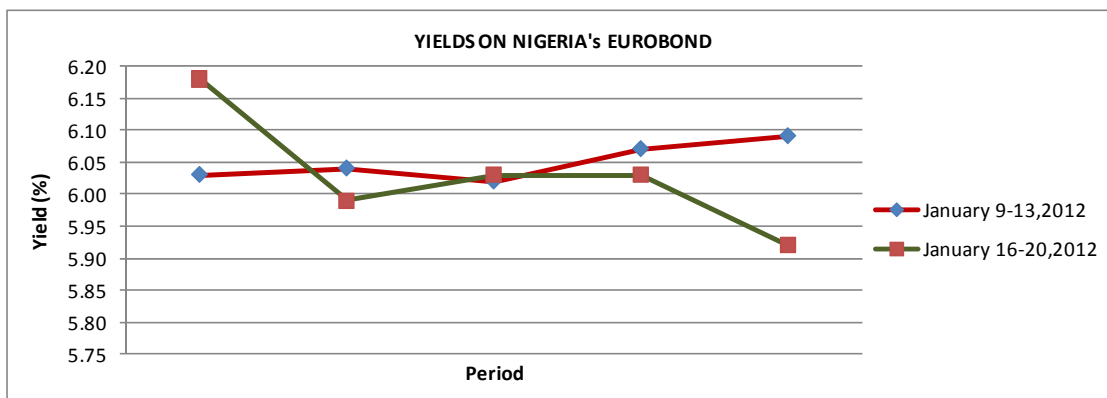
### ISSUE STATISTICS

<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) B+ (Standard & Poor's)
<b>Maturity:</b>	January 28, 2021

**TABLE 1: WEEKLY SUMMARY**

Date	Closing Price (US\$)	Closing Yield (%)
16-Jan-12	103.86	6.18
17-Jan-12	105.20	5.99
18-Jan-12	104.89	6.03
19-Jan-12	104.94	6.03
20-Jan-12	105.67	5.92

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 6.09	Low 6.02	High 6.18	Low 5.92	High 104.98	Low 104.51	High 105.67	Low 103.86	6.05	6.03
								104.78	104.91
								95.770	113.285

### PERFORMANCE UPDATE FOR THE WEEK

Sovereign bond yields including UK Gilts, German Bunds and US Treasuries started off higher in the week under review, possibly in reaction to news that Standard and Poor's had cut the ratings of nine Euro zone nations (including France, Austria, Spain, Italy and Portugal) on Friday, January 13, 2012. Nigeria's Eurobond also reacted in a similar manner, gaining 9bps on its closing Yield of 6.09% in the previous week to open at 6.18% in the week under review.

However, as the week progressed, investors were reassured by the successful Bond Auctions held by France and Spain which issued bonds at lower yields despite their recent downgrade. Investors also reacted positively to the announcement by the International Monetary Fund of its intention to expand European bank bail-out funds by US\$500b. As a result, bond prices picked up towards the close of the review week, and Nigeria's Eurobond gained US\$1.81 on its opening price of US\$103.86 to close at US\$105.67, its highest price since October 2011. The Yield closed at below 6% for the first time since September 2011.