

FGN Eurobond Market

Despite reduced risk appetite in the global market, the FGN Eurobond market sustained its bullish momentum yesterday as worries over a likely economic slowdown and the pace of monetary tightening weighed on risk sentiment. Thus, the average benchmark yield plummeted by 14bps, closing at 12.02%.

FGN Bond Market

The FGN Bond market closed on a bullish note yesterday, with buying interests registered on short-term maturities. As a result, the average benchmark yield declined by 15 basis points (bps) to close at 13.32%.

Nigerian Treasury Bill (NTB)

The treasury bill market was quiet yesterday, however, the buying interests registered on "June 2023" maturity pushed the market's overall performance into a bullish region. Consequently, the average benchmark yield fell by 13bps to close at 1.66%.

Money Market

The interbank rates remained constant at the money market for the third consecutive day as the system liquidity remained elevated. As a result, Open Buyback (OBB) and the Overnight (O/N) rates remained unchanged at 10.50% and 10.81%.

Foreign Exchange Market

Naira appreciated against the US dollar at the I&E window yesterday as the exchange rate fell by seven (7) kobos to settle at NGN461.10/\$1. On the other hand, Nigeria's foreign reserve stood at \$36.86 billion.

Oil Market

Reuters: Oil prices fell in early trade this morning but were still set for a weekly gain with the market continuing to seesaw between fears of a recession hitting the United States and hopes for strong fuel demand recovery in China, the world's top oil importer.

The downturn was partly due to a report on Thursday showing the number of Americans claiming unemployment benefits increased more than expected last week, reigniting recession fears.

An increase in China's consumer price index (CPI) for January compared with December, with inflation approaching the target of about 3% that the government set last year, added an air of caution for the oil market. The rise in China's CPI in January reflected the consumption demand of residents before the Chinese New Year, but the data is not as good as expected, reflecting the slow recovery stage of the economy.

At 7:27 am, Brent and WTI crude traded at \$84.29 and \$77.77 after surging by 21 and 29 cents this morning, respectively.

What to expect today?

We expect the Nigerian bond and T-bill markets to end the week on a bullish note as market liquidity conditions remained bolstered. On the other hand, we anticipate interbank rates to settle at the same level today.

We expect the FGN Eurobond market to extend its bullish sentiment today, barring any bearish catalyst. However, low risk appetite is expected to limit gains.

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	1.09	6.60	▼ -0.02
^13.53 23-MAR-2025	2.12	8.52	▼ -1.73
^12.50 22-JAN-2026	2.95	10.98	▼ -0.22
^16.2884 17-MAR-2027	4.10	13.11	▬ 0.00
^13.98 23-FEB-2028	5.04	13.98	▬ 0.00
^14.55 26-APR-2029	6.21	14.05	▬ 0.00
^12.1493 18-JUL-2034	11.44	14.49	▬ 0.00
^12.50 27-MAR-2035	12.13	14.59	▬ 0.00
^12.40 18-MAR-2036	13.10	14.75	▬ 0.00
^16.2499 18-APR-2037	14.19	15.89	▼ -0.02
^13.00 21-JAN-2042	18.95	15.15	▬ 0.00
^14.80 26-APR-2049	26.21	15.99	▲ 0.02
^12.98 27-MAR-2050	27.13	15.10	▬ 0.00

FGN Eurobond			
Description	TTM (Yrs)	Yield (%)	Change (%)
6.375 JUL 12, 2023	0.43	10.95	▼ -0.29
7.625 21-NOV-2025	2.78	11.57	▼ -0.17
6.50 NOV 28, 2027	4.80	11.57	▼ -0.17
6.125 SEP 28, 2028	5.64	11.57	▼ -0.14
8.375 MAR 24, 2029	6.13	12.58	▼ -0.14
7.143 FEB 23, 2030	7.04	12.48	▼ -0.13
8.747 JAN 21, 2031	7.95	12.59	▼ -0.12
7.875 16-FEB-2032	9.02	12.48	▼ -0.16
7.375 SEP 28, 2033	10.64	12.23	▼ -0.11
7.696 FEB 23, 2038	15.04	12.14	▼ -0.12
7.625 NOV 28, 2047	24.80	11.71	▼ -0.09
9.248 JAN 21, 2049	25.95	12.22	▼ -0.13
8.25 SEP 28, 2051	28.64	12.11	▼ -0.10

Major Business Headlines

Buhari Creates Presidential Transition Council, Signs Executive Order 14: President Muhammadu Buhari has approved the establishment of a Presidential Transition Council to facilitate and manage the 2023 transition programme. [Secretary to the Government of the Federation \(SGF\), Mr. Boss Mustapha, announced the approval yesterday](#), in a statement signed on his behalf by Director, Information, Office of the Secretary to the Government of the Federation (OSGF), Willie Bassey.

The statement said the transition council would be inaugurated by the SGF on February 14. Members of the committee, according to the statement, include the SGF as chairman, Head of the Civil Service of the Federation, Solicitor-General of the Federation, and Permanent Secretary, Federal Ministry of Justice.

AFC, SMDF partner on Nigeria's \$700b mining sector: Africa Finance Corporation (AFC) and Solid Minerals Development Fund (SMDF) are partnering to offer technical advice on mining projects worth \$700 billion in Nigeria. This is coming on the heels of AFC's flagship investment in the first commercial scale gold mining project in Segiola Gold Mine in Osun State. Challenges around development and finance meant that only a fraction of over \$700 billion of mining projects receive funding, according to SMDF. Under the Memorandum of Understanding (MoU), AFC and SMDF will co-develop mining projects to mitigate risks that would otherwise have hindered financing to drive bankability. This intervention will create a pipeline of high-quality and feasible projects with considerable economic impact and scope for AFC and SMDF to deploy their balance sheets.

Nigerian Treasury Bills				Other Key Indices			Interbank			Spot		
DTM	Maturity	Yield (%)	Change (%)	Indicators	Current	Change	Rate (%)	change	Rate (\$/N)	Chg (NGN)		
28	9-Mar-23	0.98	▬ 0.00	OPEC Quota	1.830mbpd	31,000bpd	10.50	▬ 0	445.00	▬ 0.00		
77	27-Apr-23	1.10	▬ 0.00	System liquidity	N620.19bn	-	10.88	▬ 0	461.10	▼ -0.07		
91	11-May-23	1.13	▬ 0.00	Foreign reserve	\$36.86bn	-	Repo			461.45	▲ 0.12	
119	8-Jun-23	0.22	▼ -0.99	Nig. Crude output	1.267m bpd	+92,000bpd	5.50	▬ 0.00	755.00	▲ 1.00		
210	7-Sep-23	1.42	▬ 0.00	Brent Crude	\$84.33	-\$0.20	8.00	▬ 0.00	AAForwards			
259	26-Oct-23	1.53	▬ 0.00	FAAC Allocation	N990.18bn	+N88.14bn	8.00	▬ 0.00	1M	491.97	▬ 0.00	
273	9-Nov-23	3.07	▬ 0.00				3M	8.00	486.63	▬ 0.00		
301	7-Dec-23	3.86	▬ 0.00				6M	8.00	490.00	▬ 0.00		
							1Y	8.00	507.09	▬ 0.00		
									532.45	▬ 0.00		