

Fixed Income and Money Market

FGN Bond Market

The FGN bond market closed bearish yesterday, with selling interests seen on selected short-term and long-term maturities. As a result, the average benchmark yield rose by 8bps to close at 12.77%.

Nigerian Treasury Bill (NTB)

The treasury bills market saw some positive sentiments across several maturities yesterday, however, the sell-offs recorded on "9-February-2022" pushed the overall market segment into the bearish region. As a result, the average bearish market yield rose by 32bps to close at 7.80%.

At yesterday's treasury bills auction, the DMO sold ₦150.62 billion worth of bills, the same amount offered. The rates on the 91-day, 182-day and 364-day notes were allotted at 3.50%, 4.50%, and 7.45%, respectively, an increase of 70bps, 40bps and 45bps, respectively, when compared to the previous session. The bid-to-cover ratio across the three papers stood at 1.76x, 0.93x, and 1.25x, accordingly.

FGN Eurobond Market

Softer-than-expected US inflation bolstered investors' risk appetite in the Eurobond market yesterday as the market recorded buying interests across several maturities. However, some selling interests on selected maturities pushed up the average benchmark yield fractionally by 1bps to close at 11.13%.

Money Market

The System liquidity remained relatively weak yesterday in the absence of any significant inflow yesterday, However, due to low market activities, the interbank rates decline marginally but remained elevated. Thus, the rates on Open Buy back (OBB) and Overnight (O/N) transactions rose by 16bps and 17bps to close at 14.67% and 14.83%, respectively.

Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, naira depreciated by 25 kobo against the US dollar as the exchange rate closed higher at NGN429.00/\$1. As of Monday, this week, Nigeria's foreign reserve stands at \$38.95 billion.

Oil Market

- Reuters: Oil prices rose on Wednesday, rebounding from losses early in the session, helped by encouraging figures on U.S. gasoline demand and as lower-than-expected U.S. inflation data drove investors into riskier assets. Brent crude futures settled higher by \$1.09 to close at \$97.40 a barrel, while U.S. West Texas Intermediate crude futures gained \$1.43 to settle at \$91.93.

- According to U.S. Energy Information Administration, U.S. crude oil stocks rose by 5.5 million barrels in the most recent week, more than the expected increase of 73,000 barrels. However, U.S. gasoline stocks fell sharply as implied demand rose after weeks of lackluster activity during what is supposed to be peak summer driving season.

- As of 7.10am this morning, Brent slipped by 4 cents to trade at \$97.36 a barrel.

- OILPRICE: In the other news, despite raising its crude oil production in July by 500,000 barrels per day, OPEC+ was still well below its collective quota, pumping 2.75 million bpd below targeted output, an Argus survey found yesterday. OPEC+ saw its combined crude oil production at 38.70 million bpd last month, with Saudi Arabia, OPEC's top producer and de facto leader, raising its supply to the market the most.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	7.62%	9.30%	+1.68
^16.29 17-MAR-2027	12.50%	12.50%	0.00
^12.15 18-JUL-2034	13.26%	13.26%	0.00

Nigerian Treasury Bills Yields

10-NOV-2022 (92 days)	3.94%	3.94%	0.00
26-JAN-2023 (169 days)	7.77%	7.77%	0.00
08-JUN-2023 (302 days)	6.81%	6.81%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	7.44%	7.39%	-0.05
6.50 NOV 28, 2027	11.36%	10.48%	-0.88
7.875 16-FEB-2032	11.64%	11.67%	+0.03

Forex Spot rates

I&E Market	428.75	429.00	+0.25
SMIS Market	430.00	430.00	0.00
Parallel Market	665.00	675.00	+10.00

Forex Forward rates

1 month	430.28	430.06	-0.22
6 months	454.48	453.90	-0.58
12 months	484.20	484.21	+0.01

Other Key Indices

Indicators	Current	Change
OBB	14.67%	-16bps
O/N	14.83%	-17bps
System liquidity(op. bal)	N83.787bn	+29.337bn
Foreign reserve	\$38.95bn	-93.93mn
OPEC Quota	1.826m bpd	+26,000bpd
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$97.36	-\$0.04
FAAC Allocation	N802.407bn	+N145.805bn

Major Business Headlines

- Power generation exceeds 4,000MW, FG to add 204MW:** Power generation on the national grid crossed 4,000 megawatts at 6am on Wednesday as the Federal Government announced that it had commenced the construction of transmission lines and substations to add 204MW to the grid. Data obtained from the Federal Ministry of Power in Abuja showed that the grid recorded an off-peak power generation of 3,231.6MW the preceding day being Tuesday, while the peak generation on same day was put at 3,993.5MW.
- Mobil-Septat Deal: Buhari Backs NUPRC on Decline of Ministerial Consent:** About 48 hours after granting ministerial consent regarding the N1.283 billion sales and purchase deal between ExxonMobil and Septat Energy, President Muhammadu Buhari yesterday rescinded the decision. The president, who is the de facto Minister of Petroleum Resources, [blamed the lack of coordination among the concerned agencies](#) for the confusion, explaining that he had weighed the likely ramifications of the earlier decision.
- NCC remits N463b in seven years, attracts \$2b foreign investments:** The Nigerian Communications Commission (NCC) remitted [N463 billion to the Federal Government's Consolidated Revenue Fund from 2015 to April 2022](#). This was disclosed by the Executive Vice Chairman, NCC, Prof. Umar Danbatta, when he led the management team on a visit to the new Permanent Secretary, Ministry of Communications and Digital Economy, Dr. William Alo, in Abuja. Danbatta, while briefing Alo on the status of the industry after his deployment to the ministry, disclosed that the focus of the commission was on its Strategic Vision (Implementation) Plan SVP 2021 – 2025, which took into consideration the provisions of the National Digital Economy Policy and Strategy 2020-2030, and National Broadband Plan 2020-2025..