

FGN Bond Market

The FGN Bond closed bullish yesterday, with buying interests seen at the short-end of the curve. However, selloffs on selected mid- and long-term maturities eroded some bullish sentiments as the average benchmark yield slid by 2 basis points (bps) to close at 14.79%.

Nigerian Treasury Bill (NTB)

The treasury bill market was mostly bullish yesterday as aggressive buying on 'May 2023' maturity supported the bullish sentiment in the market. The average benchmark yield dipped by 30bps to close at 11.02%.

FGN Eurobond Market

FGN Bond market closed on a bullish note yesterday with buying interests recorded across maturities. U.S. consumer prices rose less than expected in October, pushing the annual increase below 8% for the first time in eight months, the strongest signs yet that inflation was slowing, which would allow the Federal Reserve to scale back its hefty interest rate hikes. The average benchmark yield dipped by 36bps to close at 12.24%.

Money Market

At the interbank space yesterday, system liquidity remained elevated as interbank rates remained relatively constant. The rates on Open Buyback (OBB) and Overnight (O/N) transactions remained unchanged at 8.50% and 8.83%, respectively.

Foreign Exchange Market

The value of Naira at the I&E window depreciated by 37 kobo against the US Dollar yesterday as the exchange rate settled at NGN446.10/\$1. The Nigeria's foreign reserve dropped by \$25.51 million on Wednesday, this week, as the reserve balance stood at \$37.247billion

Oil Market

Reuters: Oil prices settled 1% higher on Thursday, ending lower for the first time this week, as tamer-than-expected U.S. inflation data offset worries that renewed COVID-19 curbs in China would hurt fuel demand.

After three days of declines, crude futures rallied after the inflation data supported investor hopes that the Federal Reserve would temper its interest rate hikes, which could support oil demand.

However, China is battling a rebound in COVID-19 infections in several economically vital cities, including Beijing. Concerns on additional mobility restrictions are keeping a lid on crude price gains, said Giovanni Staunovo, commodity analyst at UBS.

In the manufacturing hub of Guangzhou, millions of residents were told to get tested on Wednesday.

What to expect today?

Nigerian debt market is expected to be bullish today with buying interests expected on selected short-term and long-term maturities amidst elevated yields. Given the improved liquidity, the interbank rates are expected to close in the upper bound of the single-digit region.

The Eurobond market is expected to extend its bullish sentiment today amidst oil price rally and improved risk appetite supported by lower-than-expected US Inflation data

FGN Bond				
Description	TTM (Yrs)	Yield (%)	Change (%)	
^14.20 14-MAR-2024	1.34	15.15	0.00	0.00
^13.53 23-MAR-2025	2.37	14.30	-0.21	-0.21
^12.50 22-JAN-2026	3.20	14.50	-0.31	-0.31
^16.2884 17-MAR-2027	4.35	14.59	0.00	0.00
^13.98 23-FEB-2028	5.29	14.62	0.21	0.21
^14.55 26-APR-2029	6.46	14.67	0.00	0.00
^12.1493 18-JUL-2034	11.69	14.63	0.00	0.00
^12.50 27-MAR-2035	12.38	14.65	0.00	0.00
^12.40 18-MAR-2036	13.35	14.67	0.00	0.00
^16.2499 18-APR-2037	14.44	15.90	0.03	0.03
^13.00 21-JAN-2042	19.20	14.75	0.00	0.00
^14.80 26-APR-2049	26.46	14.93	0.00	0.00
^12.98 27-MAR-2050	27.38	14.95	0.00	0.00

FGN Eurobond				
Description	TTM (Yrs)	Yield (%)	Change (%)	
6.375 JUL 12, 2023	0.67	8.45	-0.56	-0.56
7.625 21-NOV-2025	3.03	11.56	-0.13	-0.13
6.50 NOV 28, 2027	5.05	11.56	-0.13	-0.13
6.125 SEP 28, 2028	5.88	13.34	-0.06	-0.06
8.375 MAR 24, 2029	6.37	13.43	-0.19	-0.19
7.143 FEB 23, 2030	7.29	13.00	-0.32	-0.32
8.747 JAN 21, 2031	8.20	12.83	-0.54	-0.54
7.875 16-FEB-2032	9.27	13.17	-0.17	-0.17
7.375 SEP 28, 2033	10.88	12.52	-0.50	-0.50
7.696 FEB 23, 2038	15.29	12.49	-0.57	-0.57
7.625 NOV 28, 2047	25.05	11.82	-0.53	-0.53
9.248 JAN 21, 2049	26.20	12.50	-0.54	-0.54
8.25 SEP 28, 2051	28.88	12.39	-0.53	-0.53

Major Business Headlines

- Nigeria's oil production surpasses 1mbpd, FG battles theft:** Nigeria's crude oil production rose above one million barrels per day for the first time since July this year, figures released by the Nigerian Upstream Petroleum Regulatory Commission on Thursday showed. [Oil production in Nigeria kept crashing since last year due to massive theft in the Niger Delta](#), leading to humongous financial losses for the country and the exit of some international oil companies. It crashed which were the worst oil production outputs from Nigeria in years.

- Abuja Airport Second Runway to be Delivered in Six Months:** The National Assembly Joint Committees on aviation has been assured of [the completion of the N92 billion second Abuja International Airport runway](#), before the exit of the current regime. The Minister of Aviation, Senator Hadi Sirika gave the assurance recently during an oversight visit to the airport by the joint committees of the Senate and House of Representatives led by Senator Abiodun Olujimi and Honourable Nnolim Nnaji. Both chairmen stressed that the Construction of the second Abuja Airport's runway was long overdue considering the strategic importance of the airport to the nation

Nigeria Treasury Bill				
DTM	Maturity	Yield (%)	Change (%)	
77	26-Jan-23	11.86	0.00	0.00
91	9-Feb-23	8.49	0.00	0.00
119	9-Mar-23	9.23	0.00	0.00
168	27-Apr-23	8.36	0.00	0.00
182	11-May-23	8.39	-2.57	-2.57
196	25-May-23	12.03	0.00	0.00
210	8-Jun-23	11.77	0.00	0.00
301	7-Sep-23	14.56	-0.01	-0.01
308	14-Sep-23	11.82	0.00	0.00
350	26-Oct-23	15.51	0.23	0.23

Other Key Indices		
Indicators	Current	Change
OPEC Quota	1.742 m bpd	-84,000bpd
System liquidity	N478.81bn	+12.15bn
Foreign reserve	\$37.295bn	-\$68.04mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$92.60	-\$0.05
FAAC Allocation	N760.24bn	-N151.68bn

Interbank	Rate (%)	change
OPR	8.50	0.00
O/N	8.83	0.00
Repo	Rate (%)	change
Call	8.83	0.00
1M	8.00	0.00
3M	8.00	0.00
6M	8.00	0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	0.00
I&E FX Window	446.10	0.47
NAFEX	443.80	0.49
Parallel Market	740.00	-90.00
^^Forwards	Rate (\$/N)	Chg (NGN)
1M	450.83	-0.06
2M	453.71	-0.21
3M	455.40	0.00
6M	477.30	0.04
1Y	501.30	0.00