

FGN Eurobond Market

The Eurobond market closed bearish yesterday, with selling interests seen across board. The average benchmark yield soared by 25bps (basis points) to 12.79%.

FGN Bond Market

The FGN bond market was tepid yesterday, with buying interests on short term maturities offset by selling interests seen on '26th April 2049' maturity. Thus, the average benchmark yield remained unchanged at 14.26%.

Nigerian Treasury Bill (NTB)

The treasury bills market was relatively quiet yesterday, with buying interests seen on mid- and long-term maturities. The average benchmark yield declined fractionally by 1bp to 8.08%.

Money Market

In the Interbank space, rates increased further on the back of dampened system liquidity as the SLF window recorded additional NGN215.61 billion from the apex bank. The rates on Open Buyback (OBB) and Overnight (O/N) transactions soared by 13bps and 12bps to close at 18.63% and 19.00% respectively.

Foreign Exchange Market

At the I & E window, the value of naira depreciated against the US dollar, by 63 kobo as the exchange rate closed higher to N463.88/\$1. Nigeria's foreign reserve increased by \$7.203 million to settle at \$35.393 billion as of Thursday, last week.

Oil Market

- Reuters: Oil prices were mostly steady this morning as the market await U.S. inflation data later in the day that will likely influence the Federal Reserve's policy on future interest rate hikes. In addition to the inflation data, the market is waiting for more clarity on oil demand and supply with monthly reports from the Organization of the Petroleum Exporting Countries (OPEC) and the International Energy Agency due on Thursday and Friday respectively.
- Yesterday, the U.S. Energy Information Administration cut its forecast for oil production by OPEC countries by 0.5 million barrels-per-day for the rest of 2023 and cut its 2023 world oil demand growth forecast by 40,000 bpd.
- Meanwhile, data from the American Petroleum Institute (API) showed crude inventories rose by about 380,000 barrels in the week ended April 7, sources said, against forecasts from eight analysts polled by Reuters for a decline of 600,000 barrels. At the same time, gasoline inventories rose by about 450,000 barrels, according to the API report, while analysts had expected a 1.6-million-barrel drawdown.
- Brent crude futures gained 16 cents to trade at \$85.77 a barrel as of 7.00am, this morning,

What to expect today?

We expect the FGN bond market to close bearish while the T.bills market is expected to stay quiet as investors focus on primary auction sales today.

Given the liquidity condition, we expect the interbank rates to remain elevated.

The FGN Eurobond market is expected to close bearish as the market await U.S. inflation report that will likely influence how soon the Federal Reserve will end its aggressive rate hikes, with markets betting on at least one more at next month's policy meeting.

FGN Bond

| Description | Maturity Date | TTM (Yrs) | Yield (%) | Change (%) |
|----------------------|---------------|-----------|-----------|------------|
| ^13.53 23-MAR-2025 | 23 Mar 2025 | 1.95 | 11.16 | ▼ -0.02 |
| ^12.50 22-JAN-2026 | 22 Jan 2026 | 2.78 | 12.03 | ▬ 0.00 |
| ^16.2884 17-MAR-2027 | 17 Mar 2027 | 3.93 | 13.00 | ▼ -0.01 |
| ^13.98 23-FEB-2028 | 23 Feb 2028 | 4.87 | 14.00 | ▬ 0.00 |
| ^14.55 26-APR-2029 | 26 Apr 2029 | 6.04 | 14.26 | ▬ 0.00 |
| ^12.50 27-APR-2032 | 27 Apr 2032 | 9.04 | 14.75 | ▬ 0.00 |
| ^12.1493 18-JUL-2034 | 18 Jul 2034 | 11.27 | 14.75 | ▬ 0.00 |
| ^12.50 27-MAR-2035 | 27 Mar 2035 | 11.96 | 14.75 | ▬ 0.00 |
| ^12.40 18-MAR-2036 | 18 Mar 2036 | 12.94 | 14.76 | ▬ 0.00 |
| ^16.2499 18-APR-2037 | 18 Apr 2037 | 14.02 | 15.40 | ▬ 0.00 |
| ^13.00 21-JAN-2042 | 21 Jan 2042 | 18.78 | 15.14 | ▬ 0.00 |
| ^14.80 26-APR-2049 | 26 Apr 2049 | 26.04 | 15.69 | ▲ 0.04 |
| ^12.98 27-MAR-2050 | 27 Mar 2050 | 26.96 | 15.65 | ▬ 0.00 |

FGN Eurobond

| Description | Maturity Date | Yield (%) | Change (%) |
|--------------------|---------------|-----------|------------|
| 6.375 JUL 12, 2023 | 12 Jul 2023 | 13.45 | ▲ 1.63 |
| 7.625 21-NOV-2025 | 21 Nov 2025 | 11.91 | ▲ 0.16 |
| 6.50 NOV 28, 2027 | 28 Nov 2027 | 11.91 | ▲ 0.16 |
| 6.125 SEP 28, 2028 | 28 Sep 2028 | 12.16 | ▲ 0.11 |
| 8.375 MAR 24, 2029 | 24 Mar 2029 | 13.07 | ▲ 0.14 |
| 7.143 FEB 23, 2030 | 23 Feb 2030 | 12.78 | ▲ 0.13 |
| 8.747 JAN 21, 2031 | 21 Jan 2031 | 13.19 | ▲ 0.14 |
| 7.875 16-FEB-2032 | 16 Feb 2032 | 12.86 | ▲ 0.12 |
| 7.375 SEP 28, 2033 | 28 Sep 2033 | 12.76 | ▲ 0.12 |
| 7.696 FEB 23, 2038 | 23 Feb 2038 | 13.01 | ▲ 0.11 |
| 7.625 NOV 28, 2047 | 28 Nov 2047 | 12.69 | ▲ 0.12 |
| 9.248 JAN 21, 2049 | 21 Jan 2049 | 13.34 | ▲ 0.10 |
| 8.25 SEP 28, 2051 | 28 Sep 2051 | 13.08 | ▲ 0.12 |

Major Business Headlines

- IMF sees a decline in Nigeria's economy in 2024 to 3%:** At the backdrop of the in-coming new regime in Nigeria, the International Monetary Fund, [IMF, has indicated that the country's economic growth will see a further slow down to 3.0 percent](#), one year down the road, in 2024 while maintaining its projection of 3.2 percent growth in 2023, which also indicated slower growth rate against its 2022 figure of 3.3 percent. The IMF's position also placed Nigeria's economic growth rate below Sub-saharan Africa's average of 4.2 percent for 2024 and 3.6 percent for 2023. cording to the IMF Nigeria's slow down was contrary to stronger growth prospects for emerging markets and developing economies during the periods.
- Nigeria's, Russia's oil production down by 440,000 bpd:** Russia, a non-member of the Organisation of Petroleum Exporting Countries (OPEC+) and Nigeria, an OPEC member country, accounted for most of the oil production [drop. Declines in Russian and Nigerian oil production accounted for 440,000 bpd](#), or two-thirds, of the last month's drop in OPEC+ output, according to Energy Intelligence. OPEC+ producers saw the biggest decline in their collective production in 10 months, as output fell by 680,000 barrels per day (bpd) to 37.64 million bpd.

NIGERIAN TREASURY BILLS

| DTM | Maturity | Yield (%) | Change (%) |
|-----|-------------|-----------|------------|
| 16 | 27 Apr 2023 | 3.57 | ▬ 0.00 |
| 30 | 11 May 2023 | 3.91 | ▬ 0.00 |
| 58 | 8 Jun 2023 | 4.60 | ▬ 0.00 |
| 149 | 7 Sep 2023 | 6.93 | ▼ -0.01 |
| 198 | 26 Oct 2023 | 8.27 | ▼ -0.01 |
| 212 | 9 Nov 2023 | 8.67 | ▼ -0.01 |
| 240 | 7 Dec 2023 | 9.48 | ▼ -0.01 |
| 289 | 25 Jan 2024 | 10.97 | ▼ -0.02 |
| 303 | 8 Feb 2024 | 11.42 | ▼ -0.02 |
| 331 | 7 Mar 2024 | 12.96 | ▼ -0.02 |

Other Key Indices

| Indicators | Current | Change |
|-------------------|------------|------------|
| OPEC Quota | 1.830mbpd | +31,000bpd |
| System liquidity | N89.32bn | -N20.03bn |
| Foreign reserve | \$35.393bn | +\$7.203mn |
| Nig. Crude output | 1.517m bpd | -0.03m bpd |
| Brent Crude | \$85.77 | +\$0.16 |
| FAAC Allocation | N722.684bn | -N27.49bn |

| Interbank | Rate (%) | Change (%) |
|-------------|----------|------------|
| OPR | 18.63 | ▲ 0.13 |
| O/N | 19.00 | ▲ 0.12 |
| REPO | | |
| Call | 8.25 | ▬ 0.00 |
| 1M | 11.00 | ▼ -0.25 |
| 3M | 11.50 | ▬ 0.00 |
| 6M | 12.00 | ▼ -0.50 |

| Spot | Rate (\$/N) | Chg (NGN) |
|-----------------------|-------------|-----------|
| CBN SMIS Window | 462.00 | ▬ 0.00 |
| I&E FX Window | 463.88 | ▲ 0.63 |
| NAFEX | 462.46 | ▲ 0.05 |
| Parallel Market | 745.00 | ▬ 0.00 |
| AAForwards | | |
| Rate (\$/N) Chg (NGN) | | |
| 1M | 467.95 | ▲ 0.95 |
| 2M | 475.37 | ▲ 0.68 |
| 3M | 483.27 | ▼ -0.26 |
| 6M | 508.76 | ▼ -2.65 |
| 1Y | 561.70 | ▼ -4.18 |