

### Fixed Income and Money Market

#### FGN Bond Market

The FGN bond market extended its bearish trend yesterday, with selling interests seen on selected mid- and long-term maturities. As a result, the average benchmark yield rose by 7bps to close at 12.84%.

#### Nigerian Treasury Bill (NTB)

The treasury bills market closed bearish yesterday, with minimal selling interest seen across several maturities. However, the average bearish market remained unchanged at 7.80%.

#### FGN Eurobond Market

FGN Eurobond Market closed in the green zone yesterday supported by decline in US Producer Price Index (PPI), a gauge for wholesale prices, and lower-than-expected Jobless claims, supporting the stand that the US Inflation is finally slowing down. As a result, the average benchmark yield as the rate declined by 83bps to close at 10.30%.

#### Money Market

Primary Auction Settlement offset Primary Repayment yesterday, however, the Apex Bank bridge finance at the auction on Wednesday created a repayment surplus, causing the interbank rate to decline but remained in double digit region. Likewise, the banks' borrowings from the CBN was moderately low yesterday as combined facility from Repo and SLF was a little under 80 billion naira. Thus, the rates on Open Buy back (OBB) and Overnight (O/N) transactions plunged by 367bps and 333bps to close at 11.00% and 11.30%, respectively.

#### Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, naira depreciated by 1.25 naira against the US dollar as the exchange rate closed higher at NGN430.25/\$1. Nigeria's foreign reserve fell by 34.1 million and 37.53 million on Tuesday and Wednesday, this week, respectively to settle at \$38.88 billion.

#### Oil Market

- **Reuters:** Oil prices rose more than \$2 on Thursday after the International Energy Agency raised its oil demand growth forecast for this year as soaring natural gas prices have some consumers switching to oil. Brent crude futures gained \$2.20, or 2.3%, to settle at \$99.60 a barrel. U.S. West Texas Intermediate crude futures settled up \$2.41, or 2.6%, to \$94.34.
- The Paris-based agency said in its monthly oil report that "Natural gas and electricity prices have soared to new records, incentivising gas-to-oil switching in some countries.". It raised its outlook for 2022 demand by 380,000 barrels per day (bpd).
- By contrast, the Organization of the Petroleum Exporting Countries (OPEC) cut its 2022 forecast for growth in world oil demand, citing the impact of Russia's invasion of Ukraine, high inflation and efforts to contain the pandemic. OPEC expects 2022 oil demand to rise by 3.1 million bpd, down 260,000 bpd from the previous forecast. It still sees a higher overall global oil demand figure than the IEA for 2022.
- However, Oil prices dropped in Asia trade early this morning amid an uncertain demand outlook, though benchmark contracts were headed for weekly gains as recession fears eased. As of 7.56am this morning, Brent slipped by 22 cents to trade at \$99.38 a barrel.

### FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	9.30%	9.30%	0.00
^16.29 17-MAR-2027	12.50%	12.87%	+0.37
^12.15 18-JUL-2034	13.26%	13.26%	0.00

### Nigerian Treasury Bills Yields

10-NOV-2022 (91 days)	3.94%	3.94%	0.00
9-FEB-2023 (182 days)	10.52%	10.52%	0.00
08-JUN-2023 (301 days)	6.81%	6.81%	0.00

### Nigerian Eurobond Yields

6.375 JUL 12, 2023	7.39%	7.16%	-0.23
6.50 NOV 28, 2027	10.48%	9.57%	-0.91
7.875 16-FEB-2032	11.67%	10.66%	+1.01

### Forex Spot rates

I&E Market	429.00	430.25	+1.25
SMIS Market	430.00	430.00	0.00
Parallel Market	675.00	660.00	-15.00

### Forex Forward rates

1 month	430.06	429.88	-0.18
6 months	453.90	453.57	-0.33
12 months	484.21	482.62	-1.59

### Other Key Indices

Indicators	Current	Change
OBB	11.00%	-367bps
O/N	11.50%	-333bps
System liquidity( <i>op. bal</i> )	N110.37bn	+26.59bn
Foreign reserve	\$38.88bn	-37.53mn
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

- **Nigeria loses N101bn worth of oil, says OPEC:** Nigeria's crude oil production plunged by 2.3 million barrels in July 2022 when compared to what the country produced in the preceding month of June, data from the Organisation of Petroleum Exporting Countries showed on Thursday. In [its latest Monthly Oil Market Report for August 2022](#), OPEC stated that crude oil production figures based on direct communication indicated that Nigeria's output dropped by an average of 74,000 barrels per day in July.
- **DISCOS: Nigeria Yet to Generate Up to 6000mw Electricity Since Independence:** Since 1960 when Nigeria attained independence till date, Africa's most populous nation [has not generated up to 6000 megawatts \(mw\) of electricity](#), the Association of Nigerian Electricity Distributors (ANED) has said. The Executive Director, Research and Advocacy, ANED, an umbrella body of power distribution companies (Discos), Mr. Sunday Oduntan, disclosed this in Lagos at a one-day workshop for energy reporters and civil society groups
- **Capital inflows to banks rose by 109% in H1 2022:** Capital inflows to the Nigerian banking sector rose by 109.8 per cent in the first half (H1) of 2022, from \$698.2 million recorded in the second half of 2021 to \$1.47 billion, data from the Central Bank of Nigeria (CBN) said. This [figure is 46.5 per cent higher than the \\$1 billion inflows recorded](#) in the corresponding period of 2021. According to the apex bank, the banking sector recorded the highest foreign inflow in the period under review compared to other sectors of the Nigerian economy, accounting for 47.1 per cent of the inflows into the country.