

## FGN Eurobond Market

The FGN Eurobond market was largely bullish yesterday, with buying interests registered across the board as investors bet on risky assets while pricing in a 92.4% probability of a 25 basis points hike in July – US FOMC Meeting, according to the CME FedWatch tool. The average benchmark yield declined by 31 basis points, settling at 10.95%.

## FGN Bond Market

Yesterday, the FGN Bond market closed on a bullish note, with positive sentiments observed mostly at the belly and long end of the curve. By the end of the trading session, the average benchmark yield dipped by 25 basis points, settling at 12.95%.

## Nigerian Treasury Bill (NTB)

The T-bill market witnessed thin trading activity yesterday despite the elevated liquidity condition. However, the market registered minimal buying sentiments across several maturities. Consequently, the average benchmark yield remained unchanged at 6.12%.

## Money Market

System liquidity remained elevated at the money market as the interbank rates closed at a similar rate yesterday. Thus, the Open Buy Back rate (OBB) declined by 7 basis points, settling at 0.87%, while the Overnight rate (O/N) decreased by 8 basis points, settling at 1.25%.

## Foreign Exchange Market

The Naira depreciated against the US dollar at the I&E window yesterday, with the exchange rate rising by NGN44.37 to settle at NGN788.42 per dollar. Meanwhile, at the parallel market, the Naira lost 5 Naira, closing at NGN800 per dollar. As of Friday, July 7th, Nigeria's foreign reserves stood at \$34.07 billion.

## Oil Market

Reuters: Oil prices have barely moved this morning as markets weighed a possible build in U.S. crude stockpiles and economic concerns against planned supply cuts by the world's biggest oil exporters and hopes for higher global demand.

Investors were awaiting U.S. inflation data on Wednesday for clues on the interest rate outlook in the world's biggest economy. Higher rates can slow economic growth and reduce oil demand.

In a bearish demand sign, U.S. crude inventories rose about 3 million barrels in the week to July 7, market sources said, citing American Petroleum Institute industry figures. Analysts polled by Reuters expected a 500,000-barrel rise in crude stocks.

On the other hand, forecasts from the U.S. EIA and the International Energy Agency point to the market tightening into 2024. The EIA projected global demand would outpace supply by around 100,000 bpd in 2023 and by 200,000 bpd in 2024

At 7:26 am, Brent futures fell 6 cents to \$79.34 a barrel, while U.S. West Texas Intermediate (WTI) crude slipped 6 cents to \$74.77 a barrel.

## What to expect today?

The Nigerian bond and T-bill markets are expected to close on a bullish note today, with interests primarily focused on mid- to long-term maturities. Meanwhile, interbank rates are anticipated to settle at a similar level, supported by robust liquidity.

The FGN Eurobond market is expected to be primarily influenced by US inflation data scheduled to be released today. Economists polled by Reuters anticipate that the consumer price index will have risen by 3.1% in June.

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
Λ13.53 23-MAR-2025	1.70	9.41	▼ -0.01
Λ12.50 22-JAN-2026	2.54	10.59	▬ 0.00
Λ16.2884 17-MAR-2027	3.68	11.84	▬ 0.00
Λ13.98 23-FEB-2028	4.62	12.65	▬ 0.00
Λ14.55 26-APR-2029	5.79	12.14	▬ 0.00
Λ12.50 27-APR-2032	8.80	13.62	▼ -0.16
Λ12.1493 18-JUL-2034	11.02	13.14	▼ -0.93
Λ12.50 27-MAR-2035	11.71	13.44	▼ -0.96
Λ12.40 18-MAR-2036	12.69	13.87	▼ -0.75
Λ16.2499 18-APR-2037	13.77	14.35	▲ 0.05
Λ13.00 21-JAN-2042	18.53	14.32	▼ -0.26
Λ14.80 26-APR-2049	25.79	14.47	▼ -0.13
Λ12.98 27-MAR-2050	26.71	14.46	▼ -0.09

  

FGN Eurobond			
Description	TTM (Yrs)	Yield (%)	Change (%)
6.375 JUL 12, 2023	0.00	239.77	▼ -81.50
7.625 21-NOV -2025	2.36	9.71	▼ -0.48
6.50 NOV 28, 2027	4.38	9.71	▼ -0.48
6.125 SEP 28, 2028	5.21	10.71	▼ -0.27
8.375 MAR 24, 2029	5.70	11.06	▼ -0.31
7.143 FEB 23, 2030	6.62	10.95	▼ -0.30
8.747 JAN 21, 2031	7.53	11.08	▼ -0.30
7.875 16-FEB-2032	8.60	11.08	▼ -0.29
7.375 SEP 28, 2033	10.21	11.14	▼ -0.27
7.696 FEB 23, 2038	14.62	11.47	▼ -0.30
7.625 NOV 28, 2047	24.38	11.36	▼ -0.24
9.248 JAN 21, 2049	25.53	11.58	▼ -0.23
8.25 SEP 28, 2051	28.21	11.50	▼ -0.26

## Major Business Headlines

**More banks use tech to unsettle black-market forex business:** More Nigerian banks are creating mobile applications (apps) or internet banking where customers can convert their dollars and other foreign currencies to naira, a development that unsettles black market trading. "This makes a lot of sense, especially for remote workers that are struggling to exchange their foreign earnings. With this, there is no need to withdraw at the counter and run after Akobi before exchanging FX," Oluwaseun Tijani, a tech lover, tweeted.

**Autogas adoption will save N1.84tn – FG:** The switch from the use of Premium Motor Spirit, popularly called petrol, to autogas will save about N1.84tn monthly for commercial vehicle operators in Nigeria, the Federal Government has said. It disclosed this in a document put together by the Nigerian Institute of Transport Technology, where it explained that a typical commercial Uber car could save [N274.176 every month by running on autogas](#), not petrol.

**Kyari: NNPC May Divest Selected Assets, Exit Production Sharing Agreements:** The Group Chief Executive Officer of the Nigerian National Petroleum Company Limited (NNPC), [Mele Kyari, yesterday disclosed that going forward, the national oil company may soon begin the divestment of some of its assets to its competitors in the oil and gas industry](#). Kyari, who was speaking against the backdrop of recent accusations that the NNPC was in the habit of blocking some operators from successfully completing assets divestments, explained that if the need arises, the NNPC will exit its current Petroleum Sharing Contracts (PSC) arrangements with some operators and source for funding under Incorporated Joint Venture (IJV) arrangement.

Nigerian Treasury Bills			
DTM	Maturity	Yield (%)	Change (%)
44	24-Aug-23	6.07	▬ 0.00
58	7-Sep-23	6.08	▬ 0.00
107	26-Oct-23	5.17	▬ 0.00
121	9-Nov-23	5.36	▬ 0.00
149	7-Dec-23	5.77	▬ 0.00
198	25-Jan-24	4.09	▬ 0.00
212	8-Feb-24	6.73	▬ 0.00
240	7-Mar-24	5.98	▬ 0.00
275	11-Apr-24	7.74	▬ 0.00
303	9-May-24	7.76	▬ 0.00
331	6-Jun-24	6.51	▬ 0.00

Other Key Indices		
Indicators	Current	Change
OPEC Quota	1.74mbpd	90,000bpd
System liquidity	N786.86 bn	N15.44bn
Foreign reserve	\$34.06bn	\$3.71million
Nig. Crude output	1.42m bpd	+100,000bpd
Brent Crude	\$79.36	\$0.05
FAAC Allocation	N638.67bn	-N141.21bn

Interbank	Rate (%)	change (bp)
OPR	0.86	▼ -0.07
O/N	1.25	▼ -0.08
<b>Repo</b>		
Call	1.69	▼ -0.25
1M	3.13	▼ -0.13
3M	3.19	▼ -0.06
6M	3.38	▼ -0.13

Spot	Rate	Change (NGN)
I&E window	788.42	▲ 44.35
Parallel Market	800.00	▲ 5.00
<b>Forwards</b>		
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1M	792.93	▲ 0.88
2M	805.78	▲ 1.92
3M	816.70	▲ 1.08
6M	851.69	▲ 0.65
1Y	916.12	▼ -7.50