

Fixed Income and Money Market

FGN Bond Market

The FGN bond market closed on a bearish note with minimal trading activities seen across board. The average benchmark yield increased by 1bp (basis point) to close at 14.01%.

Nigerian Treasury Bill (NTB)

The treasury bills market saw few buying interests on mid and long-term maturities. Thus, the average benchmark slipped by 1bp to close at 7.30%.

FGN Eurobond Market

The FGN Eurobond market recorded a bearish session yesterday with selling interests seen across several maturities. The average benchmark yield soared by 21bps to 13.28%.

Money Market

Despite OMO repayment of NGN10billion, the system liquidity remain relatively low as banks seek NGN343billion in standing lending facility to elevate their liquidity. The rate on Open Buyback (OBB) remained constant at 16.25% while Overnight (O/N) transaction declined by 50bps to close at 16.75%.

Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira depreciated by NGN2.00 against the US dollar as the exchange rate closed higher to NGN441.17/\$1. Nigeria's foreign reserve reduced by \$22.47 million to settle at \$38.07 billion as of Friday, last week.

Oil Market

- Reuters: Oil prices fell for a third straight session this morning as investors fretted about a hit to fuel demand from growing risks of a global recession and tightening COVID-19 curbs in China. As of 7.00am this morning, Brent crude futures lost 17 cents to trade at \$94.12 a barrel.

- The question of how, when and whether to cap gas prices is set to dominate another meeting of European Union countries today, as they pursue a joint plan to target high gas prices. The 27-country EU is plotting its next move to tame soaring energy prices and shield consumers from surging bills, as Europe heads into a winter of scarce Russian gas, a cost of living crisis and the looming threat of recession.

- Meanwhile, the European Union (EU) will also push for a November deal on more emergency measures to tackle ultra-high gas prices, officials confirmed, even though countries still disagree on whether to cap gas prices. The bloc is bracing for a winter of scarce Russian gas supplies and ultra-high energy costs and is considering gas price caps to both tame spiralling costs and slash Kremlin war revenues.

What to expect today?

The FGN bond market is expected to continue to trade sideways while the NTB is expected to remain quiet as investors trade at the primary market.

In the absence of any major inflow, the interbank rates are expected to remain elevated.

The Eurobond market is expected to sustain is bearish sentiment barring any bullish catalyst.

FGN BOND				
Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
14.20 14-MAR-2024	14-Mar-24	1.42	13.89	▼ -0.01
13.53 23-MAR-2025	23-Mar-25	2.45	14.09	▬ 0.00
12.50 22-JAN-2026	22-Jan-26	3.28	13.70	▬ 0.00
16.2884 17-MAR-2027	17-Mar-27	4.43	13.72	▼ -0.01
13.98 23-FEB-2028	23-Feb-28	5.37	13.90	▬ 0.00
14.55 26-APR-2029	26-Apr-29	6.54	13.25	▬ 0.00
12.1493 18-JUL-2034	18-Jul-34	11.77	14.15	▲ 0.18
12.50 27-MAR-2035	27-Mar-35	12.46	13.98	▬ 0.00
12.40 18-MAR-2036	18-Mar-36	13.43	14.00	▬ 0.00
16.2499 18-APR-2037	18-Apr-37	14.52	15.33	▬ 0.00
13.00 21-JAN-2042	21-Jan-42	19.28	14.05	▬ 0.00
14.80 26-APR-2049	26-Apr-49	26.54	13.73	▬ 0.00
12.98 27-MAR-2050	27-Mar-50	27.46	14.34	▬ 0.00

FGN EUROBOND				
Description	Maturity Date	Yield (%)	Change (%)	
6.375 JUL 12, 2023	12-Jul-23	8.54	▲	0.13
7.625 21-NOV-2025	21-Nov-25	11.71	▲	0.11
6.50 NOV 28, 2027	28-Nov-27	11.71	▲	0.11
6.125 SEP 28, 2028	28-Sep-28	13.97	▲	0.22
8.375 MAR 24, 2029	24-Mar-29	14.41	▲	0.28
7.143 FEB 23, 2030	23-Feb-30	14.38	▲	0.17
8.747 JAN 21, 2031	21-Jan-31	14.43	▲	0.22
7.875 16-FEB-2032	16-Feb-32	14.47	▲	0.24
7.375 SEP 28, 2033	28-Sep-33	14.21	▲	0.34
7.696 FEB 23, 2038	23-Feb-38	13.73	▲	0.22
7.625 NOV 28, 2047	28-Nov-47	13.30	▲	0.23
9.248 JAN 21, 2049	21-Jan-49	13.83	▲	0.23
8.25 SEP 28, 2051	28-Sep-51	13.94	▲	0.27

Major Business Headlines

- NNPC eyes \$25bn gas deal, analysts weigh risks:** The Group Managing Director of the Nigerian National Petroleum Company Limited, Mele Kyari, has said that an [investment decision on the \\$25bn gas pipeline from Nigeria to Morocco that could supply the commodity to Europe will be taken next year](#). Kyari's revelations have received commendation from energy experts, but they described the move as a risk considering the push for energy transition being championed by Western nations, including those in Europe. The NNPC and Morocco's National Office of Hydrocarbons and Mines signed a memorandum of understanding last month that inched the long-gestating project closer to reality.

- Nigeria's refineries lose 218 workers, post N69bn loss:** The number of [workers at Nigeria's refineries fell by 218 within a year, while the facilities posted a cumulative comprehensive loss of N69.03bn](#) during the review period, data from their financial statements, just released by the Nigerian National Petroleum Company Limited, showed. NNPC manages Nigeria's three refineries, which include: the Kaduna Refining and Petrochemical Company, Warri Refining and Petrochemical Company, and Port Harcourt Refining Company. An analysis of the various financial statements of the three refineries indicated that while KRPC reduced its workforce by 105 workers, WRPC cut down its staff by 113, but there was no mention of staff reduction at PHRC.

NIGERIAN TREASURY BILLS				
DTM	Maturity	Yield (%)	Change (%)	
30	10-Nov-22	5.94	▬	0.00
107	26-Jan-23	6.64	▬	0.00
121	9-Feb-23	6.77	▼	-0.01
149	9-Mar-23	7.03	▼	-0.01
198	27-Apr-23	7.51	▼	-0.01
212	11-May-23	7.65	▼	-0.01
240	8-Jun-23	7.94	▼	-0.01
331	7-Sep-23	8.92	▼	-0.01

Other Key Indices		
Indicators	Current	Change
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OPEC Quota	1.826m bpd	+26,000bpd
System liquidity	N213.89bn	-21.66bn
Foreign reserve	\$38.07bn	-\$27.47mn
Nig. Crude output	937,766 bpd	-220,234bpd
Brent Crude	\$94.12	-\$0.17
FAAC Allocation	N954.09bn	+N151.68bn

Interbank	Rate (%)	change
OPR	16.25	▬ 0.00
O/N	16.75	▼ -50.00
Repo		
Call	16.00	▼ -0.50
1M	17.00	▼ -1.00
3M	20.00	▬ 0.00
6M	25.00	▲ 3.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	430.00	▬ 0.00
I&E FX Window	439.17	▲ 2.54
NAFEX	435.66	▼ -0.02
Parallel Market	737.00	▬ 0.00
^^Forwards		Chg (NGN)
1M	448.85	▲ 2.91
2M	452.34	▲ 5.41
3M	454.90	▲ 2.88
6M	471.19	▲ 4.11
1Y	495.20	▲ 3.55