

FGN Bond Market

While the market recorded moderate bullish sentiment on short-tenured maturities, selling interests at the belly of the curve shifted the overall performance of the market into bearish region. As a result, the average benchmark yield surged by 6bps to close at 14.05%.

Nigerian Treasury Bill (NTB)

The treasury bills market mildly bullish yesterday with minimal trading activities seen across maturities. However, the average benchmark remained unchanged at 7.30%.

FGN Eurobond Market

The FGN Eurobond extended its bearish streaks yesterday as the market segment registered selling interests across several maturities. The performance was largely driven by inflation expectation and the fears of a global recession higher than expected. U.S. inflation data briefly rattled global markets. Due to higher-than-expected inflation prints, economists are expecting the Fed to raise rate, which currently stands at 3.125%, by at least 75 bps next month and to further raise them into next year. At the end of trading session yesterday, the average benchmark yield rose by 77bps to 14.16%.

Money Market

At the interbank space yesterday, the system liquidity remains relatively low, keeping the interbank rates elevated as the market registered a surge in standing lending facility transactions by 260 billion naira yesterday. The rate on Open Buyback (OBB) transactions remained unchanged at 16.25% while Overnight (O/N) rate declined by 25bps to close at 16.50% respectively.

Foreign Exchange Market

The value of naira depreciated by 1.16 naira against the US dollar, at the CBN Investors & Exporters Window yesterday as the exchange rate closed higher at NGN440.67/\$1. Nigeria's Foreign reserve stood at \$38.071 as of Friday last week.

Oil Market

Reuters: Oil prices reversed earlier losses and inched up in Asian trade on Friday, supported by a weaker U.S. dollar and as diesel inventories fell, while Saudi Arabia and Washington continued to clash over plans by OPEC+ to slash production. Brent crude futures rose 31 cents to \$94.74 per barrel as of 7:34 am this morning while U.S. West Texas Intermediate (WTI) crude futures were up 28 cents to close \$89.39 per barrel.

Both contracts however were down for the week by about 3% after two prior weeks of gains amid recession concerns

China, the world's largest crude oil importer, has been fighting a COVID rebound after its week-long National Day holiday earlier this month and just ahead of a key Communist Party Congress where President Xi Jinping is expected to extend his leadership. The country's infection tally is small by global standards, but it adheres to a zero-COVID policy.

Meanwhile, Saudi Arabia and the United States continued to clash over a decision by the Organization of Petroleum Exporting Countries and allies, known as OPEC+, last week to cut its oil production target. Saudi Arabia, OPEC's de facto leader, rejected criticisms by Washington as "not based on facts" and that the U.S. request to delay the cut by a month would have had negative economic consequences.

What to expect today?

As liquidity conditions remain weak, the interbank rates are expected to stay elevated today, barring any major inflows. The Nigerian bond market is expected extended its bearish sentiment while the NTB market segment is expected to sustain its quiet trend with mild buying interests across board

The FGN Eurobond market is expected to extend its bearish sentiments today as the US Inflation data printed higher-than-expected. Investors are pricing in another leap-up in short-term borrowing costs from the Federal Reserve.

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	1.42	14.25	▲ 0.51
13.53 23-MAR-2025	2.44	13.75	▬ 0.00
^12.50 22-JAN-2026	3.28	13.71	▬ 0.00
^16.2884 17-MAR-2027	4.43	13.72	▬ 0.00
^13.98 23-FEB-2028	5.36	13.90	▬ 0.00
^14.55 26-APR-2029	6.54	13.25	▬ 0.00
^12.1493 18-JUL-2034	11.76	14.34	▬ 0.00
^12.50 27-MAR-2035	12.45	13.98	▬ 0.00
^12.40 18-MAR-2036	13.43	14.00	▬ 0.00
^16.2499 18-APR-2037	14.51	15.33	▬ 0.00
^13.00 21-JAN-2042	19.28	14.05	▬ 0.00
9.80 24-JUL-2045	22.78	13.90	▬ 0.00
^14.80 26-APR-2049	26.54	13.73	▬ 0.00
^12.98 27-MAR-2050	27.45	14.60	▲ 0.26

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
6.375 JUL 12, 2023	0.75	10.98	▲ 2.47
7.625 21-NOV-2025	3.11	12.65	▲ 0.82
6.50 NOV 28, 2027	5.13	12.65	▲ 0.82
6.125 SEP 28, 2028	5.96	14.77	▲ 0.73
8.375 MAR 24, 2029	6.45	15.19	▲ 0.70
7.143 FEB 23, 2030	7.36	15.04	▲ 0.53
8.747 JAN 21, 2031	8.27	15.20	▲ 0.64
7.875 16-FEB-2032	9.34	15.23	▲ 0.61
7.375 SEP 28, 2033	10.96	14.84	▲ 0.54
7.696 FEB 23, 2038	15.36	14.30	▲ 0.48
7.625 NOV 28, 2047	25.13	14.04	▲ 0.58
9.248 JAN 21, 2049	26.27	14.51	▲ 0.53
8.25 SEP 28, 2051	28.96	14.72	▲ 0.64

Major Business Headlines

- World Bank, IMF to assess Nigeria's debt sustainability:** The President of the World Bank Group, David Malpass, has said that the bank will work with the International Monetary Fund to assess Nigeria's debt sustainability. Malpass said this during the 2022 annual meetings opening press conference in Washington, D.C. on Thursday. [He said, "We will work with the IMF on an assessment of the debt sustainability of Nigeria"](#) but it will be up to Nigeria itself to interact with the various creditors, which include bond holders, official creditors, that are engaged in Nigeria
- Sanwo-Olu gets FG's approval for \$2.5bn Badagry seaport:** Lagos State Governor, Mr Babajide Sanwo-Olu, has received approval to build the Badagry Deep Seaport which was approved by the Federal Executive Council in August. A statement signed by Sanwo-Olu's Chief Press Secretary, Gboyega Akosile, said the approval, which was given at the just concluded Lagos State Economic Summit (Ehingbeti 2022), authorises and provides the legal basis for the concession of the Badagry Deep Seaport following the issuance of the Full Business Case Certificate by the [Infrastructure Concession Regulatory Commission last April. According to the statement, the \\$2.5bn project](#), which would be funded through Public Private Partnership, would be built on approximately 496 hectares.

Treasury Bills

DTM	Maturity	Yield (%)	Change (%)
28	10-Nov-22	5.94	▬ 0.00
105	26-Jan-23	6.63	▬ 0.00
119	9-Feb-23	6.76	▬ 0.00
147	9-Mar-23	7.03	▬ 0.00
196	27-Apr-23	7.51	▬ 0.00
210	11-May-23	7.65	▬ 0.00
238	8-Jun-23	7.94	▬ 0.00
329	7-Sep-23	8.92	▬ 0.00

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.742 m bpd	-84,000bpd
System liquidity	N175.66bn	+16.17bn
Foreign reserve	\$38.28bn	-\$0.00mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$94.74	+\$0.31
FAAC Allocation	N954.09bn	+N151.68bn

Interbank

	Rate (%)	change
OPR	16.25	▬ 0.00
O/N	16.75	▬ 0.00
Repo		
Call	16.00	▬ 0.00
1M	12.00	▼ -5.00
3M	12.00	▼ -8.00
6M	12.00	▼ -13.00

Spot

	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	430.00	▬ 0.00
I&E FX Window	441.83	▲ 1.16
NAFEX	440.50	▲ 1.20
Parallel Market	737.00	▲ 1.00

AAForwards

	Rate (\$/N)	Chg (NGN)
1M	448.30	▼ -0.40
2M	451.66	▼ -0.61
3M	455.41	▲ 0.58
6M	473.04	▲ 3.03
1Y	498.04	▲ 3.01