

## Fixed Income and Money Market

### FGN Bond Market

The FGN bond market remained quiet yesterday with minimal selling interests seen on mid-term maturities. Thus, the average benchmark yield remained unchanged at 12.89%.

### Nigerian Treasury Bill (NTB)

The treasury bills market also recorded a quiet session yesterday with low trading activities seen across board. The average benchmark maintained a constant value at 8.07%.

### FGN Eurobond Market

FGN Eurobond Market recorded another bearish session yesterday amidst cloudy oil demand with selling interests seen across board. The average benchmark yield rose by 56bps to 11.13%.

### Money Market

Despite inflow from OMO repayment, system liquidity remained relatively low as banks continue to seek repurchase agreement (repo) and Standing Lending Facility (SLF) to elevate their liquidity. Thus, Open Buy back (OBB) and Overnight (O/N) rates increased by 50bps each to close at 14.50% and 15.00% respectively.

### Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira depreciated by 67 kobo against the US dollar as the exchange rate closed higher at NGN430.67/\$1. Nigeria's foreign reserve increased by \$12.38million to \$38.90 billion as of Monday this week.

### Oil Market

- Reuters: Oil prices rose this morning, recovering from six-month lows hit yesterday, as a larger-than-expected drop in U.S. oil and gasoline stocks reminded investors that demand remains firm, if overshadowed by the prospect of a global recession.
- The American Petroleum Institute (API) reported a draw this week for crude oil of 448,000 barrels, while analysts predicted a smaller draw of 117,000 barrels. The draw comes as the Department of Energy released 3.4 million barrels from the Strategic Petroleum Reserves in week ending August 12, to 461.2 million barrels. U.S. crude inventories have shed some 61 million barrels since the start of 2021, with a 1.7 million barrel gain since the start of 2020, according to API data. In the week prior, the API reported a surprise build in crude oil inventories of 2.156 million barrels after analysts had predicted a draw of 400,000 barrels.
- Russia's gas giant Gazprom said yesterday that its natural gas exports slumped by 36.2 percent to 78.5 billion cubic meters between January and the middle of August, as deliveries to Europe plummeted. Meanwhile, European gas prices are already very high and have continued to rise this week as demand is high in a heatwave and supplies of other fuels for power generation are constrained by low water levels on Europe's main petroleum transport corridor, the Rhine River.
- As of 7.15am this morning, Brent crude futures gained \$1.13 to trade at \$93.47 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	12.72%	12.72%	0.00
^12.15 18-JUL-2034	13.26%	13.26%	0.00

Nigerian Treasury Bills Yields			
Tenor	Open	Close	Change
10-NOV-2022 (86 days)	3.94%	3.94%	0.00
9-FEB-2023 (177 days)	10.51%	10.51%	-0.01
08-JUN-2023 (296 days)	6.81%	6.81%	0.00

Nigerian Eurobond Yields			
Tenor	Open	Close	Change
6.375 JUL 12, 2023	7.00%	8.10%	-0.35
6.50 NOV 28, 2027	9.94%	10.48%	+0.15
7.875 16-FEB-2032	10.95%	11.49%	+0.10

Forex Spot rates			
Market	Open	Close	Change
I&E Market	430.00	430.67	+0.37
SMIS Market	430.00	430.00	0.00
Parallel Market	680.00	680.00	0.00

Forex Forward rates			
Tenor	Open	Close	Change
1 month	427.72	429.73	-1.79
6 months	453.34	453.01	+0.80
12 months	482.15	481.80	-0.09

## What to Expect?

The Eurobond market is expected to sustain its bearish trend today, in the absence of any bullish stimulus. The market is widely expected to be influenced by the U.S federal reserve minutes coming up later today.

The Nigerian debt market is expected to incline towards bearish region as investors conclude primary auction settlement.

### Other Key Indices

### Major Business Headlines

- CBN Raises Interest Rate on Naira Savings Deposits to 30% of MPR: The Central Bank of Nigeria (CBN) has announced an upward adjustment of the negotiable minimum interest rate payable on local currency [savings deposits to 30 per cent of the Monetary Policy Rate \(MPR\)](#). The bank had explained that the move was aimed at stimulating growth in the larger economy following the economic slowdown caused by the pandemic.
- FG to launch \$750m World Bank-backed programme:** The Presidential Enabling Business Environment Council, on Tuesday, [unveiled its plans to kickstart a \\$750m World Bank-funded programme in January next year](#). This was as Vice President Yemi Osinbajo, on Tuesday, said the kind of business environment Nigeria required for significant economic growth could only be achieved through hard work at the sub-national level.
- Oil firms spill N711bn crude oil, degrade environment:** Environmental right activists have raised the alarm over the continuous environment degradation as estimation puts [total value of oil spilled by operators in the Niger Delta at N711bn](#). Nigerian Oil Spill Monitor, an arm of the National Oil Spill Detection And Response Agency, NOSDRA, revealed that a total of 23,896 barrels crude oil was spilled by 18 firms last year.

Indicators	Current	Change
OBB	14.50%	+50bps
O/N	15.00%	+50bps
System liquidity	N87.43bn	+16.20bn
Foreign reserve	\$38.90bn	+12.38mn
OPEC Quota	1.826m bpd	+26,000bpd
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$93.47	+\$1.13
FAAC Allocation	N802.407bn	+N145.805bn