

Let's take a look at what went down yesterday across various markets!

Fixed Income

The Eurobond market interrupted its bearish streak yesterday as the minutes released by the US Fed indicated that officials were divided over the necessity of further interest rate hikes. The market observed buying interest across various maturities, leading to a 16 basis points (bps) decrease in the average benchmark yield, closing at 10.60%.

In the FGN Bond market, there was a mild bearish sentiment yesterday, accompanied by a few instances of selling interest in specific maturities. By the end of the trading session, the average benchmark yield increased by 8 bps, closing at 13.61%.

The Treasury bill market concluded with limited activity yesterday, resulting in minimal trading across the board. Consequently, the average benchmark yield remained steady at 6.94%.

Within the interbank space, system liquidity reduced to NGN 33.55 billion in the money market yesterday, prompting an increase in interbank rates. Consequently, interbank rates rose by 1176 bps and 1124 bps, with the Open Buy Back (OBB) rate and the Overnight rate (O/N) closing at 19.06% and 19.64%, respectively.

The Naira gained 14.91 naira against the US dollar at the I&E window, causing the exchange rate to settle lower at NGN 759.86 per dollar. Meanwhile, in the parallel market, the Naira appreciated by 42 naira, closing at NGN 900 per dollar. As of Tuesday, August 15th, Nigeria's foreign reserves declined by \$14.944 million to reach \$33.845 billion.

Oil Market

Oil prices were choppy [this morning](#) after falling over the past three sessions, with the undertone grim on worries that slowing growth in China and possible further U.S. interest rate hikes will weaken fuel demand in the world's two biggest economies.

As at 6:46am, Brent crude futures were flat at \$83.45 a barrel, after initially falling 0.5%. U.S. West Texas Intermediate crude (WTI) was down 8 cents at \$79.30.

In China, missed payments on investment products by a leading Chinese trust firm and a fall in home prices have added to worries that its deepening property crisis is stifling what little momentum the economy has left.

China's central bank unexpectedly cut key policy rates for the second time in three months this week, but analysts worry it may not be enough to arrest the economy's downward spiral.

Minutes of the U.S. Federal Reserve's July meeting released on Wednesday also weighed on oil prices, as they showed that the central bank's officials did not give strong indications about pausing rate hikes, as they continued to prioritise the battle against inflation. Higher interest rates increase borrowing costs for businesses and consumers, which could slow economic growth and reduce oil demand.

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FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
13.53 23-MAR-2025	1.60	10.67	0.00
12.50 22-JAN-2026	2.44	12.85	0.00
16.2884 17-MAR-2027	3.58	13.06	0.55
13.98 23-FEB-2028	4.52	13.20	0.00
14.55 26-APR-2029	5.69	13.47	0.00
12.50 27-APR-2032	8.70	13.85	0.00
12.1493 18-JUL-2034	10.92	14.00	0.00
12.50 27-MAR-2035	11.61	14.00	0.00
12.40 18-MAR-2036	12.59	14.01	0.00
16.2499 18-APR-2037	13.67	14.90	0.00
13.00 21-JAN-2042	18.43	15.04	0.00
14.80 26-APR-2049	25.69	15.51	0.41
12.98 27-MAR-2050	26.61	15.30	0.00

FGN Eurobond			
Description	TTM (Yrs)	Yield (%)	Change (%)
7.625 21-NOV-2025	2.26	11.42	-0.34
6.50 NOV 28, 2027	4.28	11.73	-0.32
6.125 SEP 28, 2028	5.12	11.49	-0.29
8.375 MAR 24, 2029	5.61	11.80	-0.16
7.143 FEB 23, 2030	6.52	11.80	-0.19
8.747 JAN 21, 2031	7.43	11.81	-0.14
7.875 16-FEB-2032	8.50	11.74	-0.12
7.375 SEP 28, 2033	10.12	11.66	-0.08
7.696 FEB 23, 2038	14.52	11.90	-0.06
7.625 NOV 28, 2047	24.28	11.80	-0.11
9.248 JAN 21, 2049	25.43	11.93	-0.06
8.25 SEP 28, 2051	28.12	12.02	-0.06

Nigerian Treasury Bills			
DTM	Maturity	Yield (%)	Change (%)
8	24-Aug-23	3.88	0.00
22	7-Sep-23	4.14	0.00
71	26-Oct-23	5.82	0.00
85	9-Nov-23	5.31	0.00
113	7-Dec-23	5.85	0.00
162	25-Jan-24	6.83	0.00
176	8-Feb-24	7.12	0.00
204	7-Mar-24	7.70	0.00
239	11-Apr-24	8.44	0.00
267	9-May-24	9.06	0.00
295	6-Jun-24	8.90	0.00
330	11-Jul-24	10.17	0.00

What else is brewing and Market's Expectations

Anticipations are for the local fixed income market to maintain its bearish sentiment today. Additionally, Interbank rates are expected to settle at similar levels, as auction settlements absorb liquidity from the market.

In the FGN Eurobond market, we anticipate bullish sentiment in the market today as naira takes some relief from NNPC \$3 billion emergency crude repayment loan from AFREXIM Bank.

Major Business News

NLNG prolonged shutdown threatens gas production: The continued shutdown of operations by Nigerian Liquefied Natural Gas Ltd is a looming danger to the country's annual production of 22 million tonnes of gas, [The PUNCH can authoritatively report. Last week Tuesday, NLNG spokesman](#), Andy Odeh, said the force majeure it declared in October 2022 due to widespread flooding that disrupted supplies continued. Force majeure refers to unexpected external circumstances that prevent a party to a contract from meeting obligations. "The force majeure still subsists as the unavailability of upstream gas suppliers' major liquids' evacuation pipelines, occasioned by sabotage and vandalism, still impacts feed gas supplies," Odeh said in an emailed response to an enquiry on the issue.

NEPC eyes \$5bn non-oil export revenue: The Chief Executive Officer of the Nigerian Export Promotion Council, Ezra Yakusak, has said that the council is targeting over \$5bn revenue from non-oil export. He [disclosed that this had prompted NEPC to step up its training](#) and sensitisation efforts of intending exporters on appropriate practices and requirements. Speaking during an awareness workshop on the importance of mandatory and non-mandatory certification in accessing export market for SMEs and intending exporters in Ado Ekiti, Ekiti State recently, Yakusak, who was represented by an Assistant Director, Afolabi Bello, said that NEPC's contributions to the Nigerian economy in terms of revenue had been massive. He added that the council had developed various strategies and initiatives to grow the Nigerian non-oil export sector.

Foreign Exchange Market

Spot	Rate (\$/N)	Change (NGN)
I&E FX Window	759.86	▼ -14.91
Parallel Market	900.00	▼ -42.00
^^Forwards		
1M	790.20	▼ -6.79
2M	797.31	▼ -9.17
3M	808.57	▼ -7.41
6M	843.45	▼ -1.24
1Y	892.70	▼ -12.02

Indicators	Current	Change
OPEC Quota	1.747	79,000 bpd
System liquidity	221.02 bn	-9.23 bn
Foreign reserve	33.845 bn	(-) 14.944 mn
Nig. Crude output	1.08 mbpd	190,000 bpd
FAAC Allocation	907.05 bn	120.89 bn
Brent Crude	85.80	(\$1.01)
Gold	1,943.80	-2.70

Money Market

Tenor	Rate (%)	Change (bps)
OPR	19.06	▲ 11.76
O/N	19.64	▲ 11.24
REPO		
Call	8.63	▲ 5.25
1M	8.25	▲ 1.25
3M	9.13	▲ 1.31
6M	10.31	▲ 1.38