

FGN Bond Market

The FGN Bond registered mixed reactions with minimal trading activities seen across board. However, buying interests at the long-end of the curve led to a marginal decline in the average benchmark yield by 1 basis points (bp) to close at 14.76%.

Nigerian Treasury Bill (NTB)

The treasury bill market was quiet with minimal trading activities seen across board. The average benchmark yield remained unchanged at 11.00%.

FGN Eurobond Market

FGN Bond market extended its bearish sentiment yesterday as the market recorded selling activities across maturities. Fed speakers talk tough on interest rates and keep market expectations in check as investors are wary of risk-taking. As a result, the average benchmark yield rose by 35bps to close at 11.41%.

Money Market

At the interbank space yesterday, the interbank rates remained highly elevated in the absence of any inflow yesterday, as the market recorded NGN216 billion in standing lending facilities. The rates on Open Buyback (OBB) and Overnight (O/N) transactions remained unchanged at 16.25% and 16.50%.

Foreign Exchange Market

Naira depreciated against the US dollar at the I&E window yesterday as the exchange rate declined by 92 kobo to close at NGN445.75/\$1. The Nigeria's foreign reserve, on other hand, dropped by \$2.99 million on Tuesday, this week, as the reserve balance settled lower at \$37.179 billion

Oil Market

Reuters: Oil prices rose on Friday as the dollar slipped but were headed for hefty weekly losses on expectations there will be no let-up in sharp U.S. interest rate hikes and the prospect of weaker demand from top oil importer China amid rising COVID-19 cases. Brent crude futures dipped by 68 cents to close at \$90.35 a barrel at 7:45 am but were not far off a four-week low of \$89.53 hit in the previous session.

Analysts said concerns about potential lockdowns in China to curb a surge in COVID cases, which hit their highest level since April, and worries that more interest rate hikes will drive the U.S. economy into recession cast a pall over the market. Stephen Innes, managing partner at SPI Asset Management, in a note to clients said that Oil prices remain under pressure, with demand squeezed by mounting China COVID-19 cases and fears of more aggressive hikes in U.S. interest rates

Likewise, Remarks from U.S. Federal Reserve officials this week dashed hopes of any tempering of aggressive U.S. interest rate hikes.

What to expect today?

Nigeria debt market is expected to close the week on bearish note as selling interests are expected on selected maturities amid tight liquidity conditions. As a result, the interbank rates are expected to remain highly elevated, barring any significant inflow.

The Eurobond market is expected to extend its bearish sentiment today as U.S. Federal Reserve officials fired more warning shots on interest rates, a blow to investors who had been wagering rates would peak at 5%

FGN Bond				
Description	TTM (Yrs)	Yield (%)	Change (%)	
▲14.20 14-MAR-2024	1.32	15.16	▲	0.00
▲13.53 23-MAR-2025	2.35	14.27	▲	0.00
▲12.50 22-JAN-2026	3.18	14.55	▲	0.05
▲16.2884 17-MAR-2027	4.33	14.59	▲	0.00
▲13.98 23-FEB-2028	5.27	14.70	▲	0.00
▲14.55 26-APR-2029	6.44	14.59	▼	-0.06
▲12.1493 18-JUL-2034	11.67	14.65	▲	0.07
▲12.50 27-MAR-2035	12.36	14.75	▲	0.00
▲12.40 18-MAR-2036	13.33	14.67	▲	0.02
▲16.2499 18-APR-2037	14.42	15.93	▼	-0.09
▲13.00 21-JAN-2042	19.18	14.75	▲	0.00
▲14.80 26-APR-2049	26.44	14.68	▼	-0.02
▲12.98 27-MAR-2050	27.36	14.65	▲	0.00

FGN Eurobond				
Description	TTM (Yrs)	Yield (%)	Change (%)	
6.375 JUL 12, 2023	0.65	8.83	▲	0.52
7.625 21-NOV-2025	3.01	10.91	▲	0.28
6.50 NOV 28, 2027	5.03	10.91	▲	0.28
6.125 SEP 28, 2028	5.86	12.00	▲	0.34
8.375 MAR 24, 2029	6.35	12.45	▲	0.37
7.143 FEB 23, 2030	7.27	12.19	▲	0.32
8.747 JAN 21, 2031	8.18	12.22	▲	0.29
7.875 16-FEB-2032	9.25	12.19	▲	0.35
7.375 SEP 28, 2033	10.86	12.01	▲	0.34
7.696 FEB 23, 2038	15.27	12.28	▲	0.34
7.625 NOV 28, 2047	25.03	12.12	▲	0.50
9.248 JAN 21, 2049	26.18	12.45	▲	0.33
8.25 SEP 28, 2051	28.86	12.36	▲	0.29

Major Business Headlines

- Nigeria's poverty exceeds World Bank projection, five states lead:** The National Bureau of Statistics has disclosed that 133 million Nigerians are multi-dimensionally poor. In its latest National Multidimensional Poverty Index report launched on Thursday, the NBS said that [63 per cent of Nigerians were poor due to a lack of access to health, education, living standards, employment and security](#). The Multidimensional Poverty Index offers a multivariate form of poverty assessment, identifying deprivations across health, education, living standards, work and shocks.
- Rice, maize production to slump 11.5% – AFEX:** The Nigerian commodities market player, AFEX has projected an average decline in production of up to 11.5 per cent across commodities like maize, paddy rice, sorghum, and cocoa. [AFEX revealed this on Wednesday during the unveiling of its '2022 wet season crop production report'. It, however, forecasted that soybeans and sesame would experience about 6.5 per cent](#) increase in production levels. The report was released in a hybrid event hosted at the AFEX office in Abuja and it sought to provide accurate reliable data to aid the understanding of the national food system through farmer survey measurement of transaction level.

Nigerian Treasury Bill				
DTM	Maturity	Yield (%)	Change (%)	
70	26-Jan-23	11.84	▲	0.00
84	9-Feb-23	8.48	▲	0.00
112	9-Mar-23	9.21	▲	0.00
161	27-Apr-23	8.35	▲	0.00
175	11-May-23	8.37	▲	0.00
203	8-Jun-23	11.75	▲	0.00
294	7-Sep-23	14.52	▼	-0.01
343	26-Oct-23	15.46	▼	-0.01

Other Key Indices		
Indicators	Current	Change
Oil Quota	1.742 m bpd	-84,000bpd
System liquidity	N83.13bn	-110.48bn
Foreign reserve	\$37.179bn	-\$2.99mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$90.35	-\$0.68
FAAC Allocation	N760.24bn	-N151.68bn

Interbank	Rate (%)	change
OPR	16.25	▲ 0.00
O/N	16.50	▲ 0.00
Repo		
Call	9.25	▼ -0.25
1M	10.00	▲ 0.00
3M	10.00	▲ 0.00
6M	10.00	▲ 0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	▲ 0.00
I&E FX Window	445.75	▼ -0.92
NAFEX	444.50	▲ 0.00
Parallel Market	790.00	▼ -14.00
^^Forwards	Rate (\$/N)	Chg (NGN)
1M	449.16	▲ 0.17
2M	453.08	▲ 0.00
3M	458.75	▲ 0.00
6M	477.16	▲ 0.12
1Y	505.54	▲ 2.52