

FGN Bond Market

The FGN Bonds market was mostly bullish across maturities, but with selling interest on the "22-Jan-26" maturity. The session ended with the average benchmark yield declining by 1bps from 14.36% to 14.35%.

Nigerian Treasury Bill (NTB)

The Treasury Bills market was bearish yesterday. There was selling interest on the "7-Sep-23" and "9-Nov-23" maturities. The average benchmark yields increased by 19bps, from 6.76% to 6.95%.

FGN Eurobond Market

The Eurobond market was bullish across maturities yesterday, but with selling interest on the "12-Jul-23" maturity. The average yield declined by 8bps from 13.16% to 13.09%.

Money Market

The opening balances of banks decreased by N122bn to N99bn. The Open Buy Back rate (OBB) decreased by 38bps from 17.88% to 17.50% and the Overnight rate (O/N) decreased by 13bps from 18.25% to 18.13%.

Foreign Exchange Market

In the I&E FX Window, the value of the Naira appreciated by N2.13 against the US dollar to settle at NGN463.00/\$1 from NGN465.13/\$1. Nigeria's foreign reserve was at \$35.194 billion as of 16th May 2023 after an increase of \$1.36 million.

Oil Market

Reuters: Oil prices rebounded on Friday from losses of more than 1% the previous day as investors turned cautiously optimistic over the fading risk of a U.S. debt default.

Brent futures rose 59 cents, or 0.8%, to \$76.45 a barrel by 0420 GMT, while U.S. West Texas Intermediate crude climbed 48 cents, or 0.7%, to \$72.34.

"I think markets have been pricing out the risks of a U.S. debt default, which translates to a more risk-on environment and some dip-buying in Brent crude from previous oversold conditions," said Yeap Jun Rong, a market strategist at IG.

Sentiment remains mixed as investors juggle optimism over avoidance of a U.S. debt default with inflation data that could portend more interest rate hikes from global central banks. The potential for additional rate hikes increases concerns about demand weakness in the United States, said analysts from National Australia Bank.

What to expect today?

In the Eurobond market, we expect the market to be cautious in anticipation of the FED's Chairman's speech.

We expect the Treasury bills market to continue its current trend due to the tightened liquidity in the system. We expect the Bond market to continue to be quiet and show mixed sentiments. For the interbank rate, we expect the rate to be elevated as it was yesterday.

FGN Bond

Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
13.53 23-MAR-2025	23 Mar 2025	1.85	11.50	▼ -0.04
12.50 22-JAN-2026	22 Jan 2026	2.68	12.53	▲ 0.68
16.2884 17-MAR-2027	17 Mar 2027	3.83	12.65	▼ -0.02
13.98 23-FEB-2028	23 Feb 2028	4.77	13.98	▲ 0.00
14.55 26-APR-2029	26 Apr 2029	5.94	14.20	▲ 0.00
12.50 27-APR-2032	27 Apr 2032	8.94	14.90	▲ 0.00
12.1493 18-JUL-2034	18 Jul 2034	11.17	14.74	▲ 0.00
12.50 27-MAR-2035	27 Mar 2035	11.86	14.81	▲ 0.00
12.40 18-MAR-2036	18 Mar 2036	12.83	14.70	▲ 0.00
16.2499 18-APR-2037	18 Apr 2037	13.92	15.58	▼ -0.27
13.00 21-JAN-2042	21 Jan 2042	18.68	15.55	▼ -0.80
14.80 26-APR-2049	26 Apr 2049	25.94	15.60	▲ 0.00
12.98 27-MAR-2050	27 Mar 2050	26.86	15.77	▼ -0.13

FGN Eurobond

Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12 Jul 2023	16.28	▲ 3.43
7.625 21-NOV-2025	21 Nov 2025	11.82	▼ -1.58
6.50 NOV 28, 2027	28 Nov 2027	11.82	▼ -1.58
6.125 SEP 28, 2028	28 Sep 2028	12.59	▼ -1.02
8.375 MAR 24, 2029	24 Mar 2029	13.15	▼ -1.05
7.143 FEB 23, 2030	23 Feb 2030	13.08	▼ -0.98
8.747 JAN 21, 2031	21 Jan 2031	13.24	▼ -0.97
7.875 16-FEB-2032	16 Feb 2032	13.00	▼ -0.84
7.375 SEP 28, 2033	28 Sep 2033	13.02	▼ -0.76
7.696 FEB 23, 2038	23 Feb 2038	13.13	▼ -0.61
7.625 NOV 28, 2047	28 Nov 2047	12.77	▼ -1.08
9.248 JAN 21, 2049	21 Jan 2049	13.11	▼ -0.53
8.25 SEP 28, 2051	28 Sep 2051	13.14	▼ -0.83

Major Business Headlines

- AFDB approves \$15m loan to support infrastructure financing in Nigeria:** [A \\$15 million subordinated loan was approved by the Board of Directors of the African Development Bank](#) to Infrastructure Credit Guarantee Company Limited (InfraCredit) to strengthen its capital base and help close Nigeria's infrastructure financing gap.
- Federal allocation drops again as FG, states share N655bn:** [The Federation Account Allocation Committee says it shared N655.93bn among the three tiers of government in April 2023.](#) The Federal Government received N248.81bn, the states received N218.31bn, and the local government councils got N160.6bn, while the oil-producing states received N28.22bn as derivation (13 per cent of mineral revenue).
- Inflation retreat: Global rate set to dip to 5.2% – UN:** The United Nations has revealed that the [global inflation rate is expected to decline from 7.5 per cent in 2022 to 5.2 per cent in 2023.](#)

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
21	8 Jun 2023	5.52	▼ -0.02
112	7 Sep 2023	5.59	▲ 2.35
161	26 Oct 2023	6.32	▼ -0.02
175	9 Nov 2023	6.18	▲ 34.19
203	7 Dec 2023	7.07	▼ -0.02
252	25 Jan 2024	7.97	▼ -0.02
266	8 Feb 2024	8.24	▼ -0.02
294	7 Mar 2024	7.51	▼ -0.02
329	11 Apr 2024	8.17	▼ -0.02

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.830mbpd	+31,000bpd
System liquidity	N99.11bn	-N122.00bn
Foreign reserve	\$35.19bn	1.36mn
Nig. Crude output	0.999mbpd	-0.269mbpd
Brent Crude	\$75.86	-\$-1.1
FAAC Allocation	N714.629bn	-N8.055bn

Interbank	Rate (%)	change
OPR	17.50	▼ -0.38
O/N	18.13	▼ -0.13
Repo		
Call	5.67	▲ 0.00
1M	9.67	▲ 0.00
3M	9.67	▲ 0.00
6M	9.67	▲ 0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	462.00	▲ 0.00
I&E FX Window	463.00	▼ -2.13
NAFEX	465.04	▲ 0.46
Parallel Market	751.00	▲ 3.00
^^Forwards	Rate (\$/N)	Chg (NGN)
1M	478.77	▲ 3.67
2M	502.44	▲ 2.68
3M	521.74	▲ 0.69
6M	558.27	▼ -0.24
1Y	576.94	▼ -0.23