

FGN Bond Market

The FGN bond market was bearish yesterday, with selling interests seen mainly on long-dated maturities, while few buying interests were seen on the selected mid-dated maturities. Consequently, the average benchmark yield inched up by 9bp to close at 13.00%

Nigerian Treasury Bill (NTB)

The treasury bills market extended its quiet session yesterday with minimal selling interests seen across maturities. The average benchmark yield remained unaltered at 8.07%.

FGN Eurobond Market

US Weekly jobless claims fall by 2,000 to 250,000, signifying a tight labour market despite a slowdown in momentum due to higher interest rates. With a stronger likeliness of an aggressive hawkish move by the US Federal Reserve, the FGN Eurobond Market sustained its bearish sentiment. The average benchmark yield rose by 22bps to 11.83%.

Money Market

At the money market yesterday, the interbank rates settled higher as banks seeks an additional 190 billion naira from the Apex Bank, while the liquidity condition remained relatively tight. As a result, Open Buyback (OBB) and the Overnight (O/N) rates both settle at 15.00%.

Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira steadied against the US dollar as the exchange rate stayed constant at NGN429.38/\$1. As of Wednesday, this week, Nigeria's foreign reserve increased by \$12.59 million to \$38.91 billion.

Oil Market

- Reuters: Oil prices gained about 3% yesterday as robust U.S. fuel consumption data and an expected drop in Russian supply later in the year offset concerns that slowing economic growth could undercut demand. However, Oil prices dipped on Friday after two days of gain, as market participants weighed worries about global economic slowdown - that could dampen fuel demand - against expectations of tighter supplies toward year-end.
- While bullish U.S. weekly data bolstered optimism for improved fuel demand for the near-term, lingering recession fears and a possible increase in output by OPEC+ will likely limit oil price's upside, said Satoru Yoshida, a commodity analyst with Rakuten Securities.
- U.S. crude inventories fell sharply as the nation exported a record 5 million barrels of oil a day in the most recent week, with oil companies finding heavy demand from European nations looking to replace crude from warring Russia
- As of 8.30am, this morning, Brent futures slipped 69 cents to settle at \$95.90 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 66 cents to settle at \$89.84
- In other news, Russia forecasts rising output and exports until the end of 2025, an economy ministry document seen by Reuters showed, saying revenue from energy exports will rise 38% thisyear, partly due to higher oil export volumes. Iran, meanwhile, increased its oil exports in June and July and could raise them further this month by offering a deeper discount to Russian crude for its main buyer China, firms tracking the flows said.

FGN Bond Yields			
Tenor	Open	Close	Change
^12.75 27-APR-2023	9.30%	9.30%	0.00
^16.29 17-MAR-2027	12.71%	12.71%	0.00
^12.15 18-JUL-2034	13.26%	13.26%	0.00
Nigerian Treasury Bills Yields			
10-NOV-2022 (84 days)	3.94%	3.94%	0.00
9-FEB-2023 (175 days)	10.51%	10.51%	0.00
08-JUN-2023 (294 days)	6.80%	6.80%	-0.01
Nigerian Eurobond Yields			
6.375 JUL 12, 2023	8.78%	8.96%	+0.18
6.50 NOV 28, 2027	11.05%	11.26%	+0.21
7.875 16-FEB-2032	11.93%	12.14%	+0.21
Forex Spot rates			
I&E Market	429.38	429.38	0.00
SMIS Market	430.00	430.00	0.00
Parallel Market	680.00	680.00	0.00
Forex Forward rates			
1 month	429.61	429.54	-0.07
6 months	452.73	452.84	+0.11
12 months	482.80	481.25	-1.55

What to Expect today?

Nigerian debt market is expected to sustain its bearish sentiment today amid tight liquidity condition and appetite for high yields, while trading activities is expected to be relatively minimal

FGN Eurobond market is expected to sustain its bearish trend today as US labour market remained strong.

Other Key Indices		
Indicators	Current	Change
OBB	15.00%	+33bps
O/N	15.00%	00bps
System liquidity	N45.11bn	-77.57bn
Foreign reserve	\$38.91bn	+12.59mn
OPEC Quota	1.826m bpd	+26,000bpd
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$93.48	+\$0.17
FAAC Allocation	N802.407bn	+N145.805bn

Major Business Headlines

- The House of Representatives' Ad Hoc Committee [to Investigate the Petroleum Products Subsidy Regime from 2013 to 2022](#), on Thursday, grilled the Minister of Finance, Budget and National Planning, Zainab Ahmed, over payments of subsidy on Premium Motor Spirit (petrol) by the Federal Government..
- The Nigerian Ports Authority (NPA) has generated a total [revenue of N172.286 billion from its operations in the first half of 2022](#). The Authority in the same period, remitted N78.497 billion to the Consolidated Revenue Fund (CRF) of the federation. These disclosures were contained in a half-year 2022 operational reports released by the Managing Director and Chief Executive Officer of the Authority, Mr. Mohammed Bello Koko, yesterday.
- With the adoption of the Fifth-Generation (5G) network set to outpace all previous generations of mobile technology, it is expected [to have \\$7 trillion worth of economic value by 2030](#). Research from InterDigital and ABI Research claims the exceedingly large amount of coin will be generated as 5G 'fuels a proliferation of connected devices from smartphones to consumer electronics to enterprise applications and beyond.'