

FGN Bond Market

The FGN Bond was bullish yesterday with trading activities seen on selected maturities, mostly mid-tenured maturities. As a result, the average benchmark yield declined by 4 basis points (bps) to close at 14.61%.

Nigerian Treasury Bill (NTB)

The treasury bill market closed relatively quiet yesterday, with few buying interests seen on several maturities. The average benchmark yield declined by 1bp to close at 10.95%.

FGN Eurobond Market

FGN Bond market closed on a bullish note yesterday as Federal Reserve Chair Jerome Powell on Wednesday said it was time to slow the pace of coming interest rate hikes. As a result, the average benchmark yield plummeted by 4bps to close at 11.65%.

Money Market

At the interbank space yesterday, OMO maturities kept the system liquidity slightly elevated as interbank rates fell sharply yesterday. The rates on Open Buyback (OBB) and Overnight (O/N) transactions declined by 450bps and 462bps to close at 10.25% and 10.88%, respectively

Foreign Exchange Market

Naira steadied against the US dollar at the I&E window yesterday as the exchange rate remained unchanged at NGN445.30/\$1. The Nigeria's foreign reserve, on other hand, dropped by \$6.47 million on Tuesday, this week, as the reserve balance settled lower at \$37.118 billion

Oil Market

Reuters: Oil prices dipped in Asia trade on earlier today as uncertainty lingered ahead of Sunday's OPEC+ meeting, though easing COVID curbs at the world's top crude importer China capped price declines.

Brent crude futures fell 25 cents, or 0.3%, to \$86.72 per barrel by 0430 GMT, while U.S. West Texas Intermediate crude futures eased 17 cents, or 0.2%, to \$80.38. The benchmark oil contracts settled higher by over \$2 on Wednesday amid a weaker dollar and optimism over Chinese demand recovery.

The decision to hold its meeting virtually signals little likelihood of a policy change, sources told Reuters on Wednesday, as the group assesses the impact of the looming Russian oil-price cap on the market.

Meanwhile, sentiment was lifted by the shift in China's zero-COVID strategy, which raises optimism over Chinese oil demand recovery. The Chinese cities of Guangzhou and Chongqing announced an easing of COVID curbs on Wednesday, a day after demonstrators in southern Guangzhou clashed with police amid a string of protests against the world's toughest coronavirus restrictions.

What to expect today?

The Nigerian Bond market is expected to sustain its bullish sentiment with buying interests on selected maturities, while interbank rates are expected to remain in double digit region.

The Eurobond market is expected to extend its bullish streak today as optimism about China's reopening prospects, rediscovered investors' risk appetite, pouring more into risky assets and sending safe-haven U.S. dollar lower.

FGN BOND

Description	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	1.29	14.29	0.00
^13.53 23-MAR-2025	2.31	14.08	-0.22
^12.50 22-JAN-2026	3.15	14.25	0.00
^16.2884 17-MAR-2027	4.29	14.25	-0.10
^13.98 23-FEB-2028	5.23	14.30	-0.11
^14.55 26-APR-2029	6.40	14.45	0.00
^12.1493 18-JUL-2034	11.63	14.75	0.00
^12.50 27-MAR-2035	12.32	14.75	0.00
^12.40 18-MAR-2036	13.30	14.74	0.00
^16.2499 18-APR-2037	14.38	16.12	-0.02
^13.00 21-JAN-2042	19.14	14.73	0.00
^14.80 26-APR-2049	26.40	14.55	0.00
^12.98 27-MAR-2050	27.32	14.72	0.00

FGN EUROBOND

Description	TTM (Yrs)	Yield (%)	Change (%)
6.375 JUL 12, 2023	0.62	9.15	0.04
7.625 21-NOV-2025	2.98	10.91	-0.04
6.50 NOV 28, 2027	4.99	10.91	-0.04
6.125 SEP 28, 2028	5.83	11.73	-0.10
8.375 MAR 24, 2029	6.32	12.31	-0.10
7.143 FEB 23, 2030	7.23	11.97	-0.07
8.747 JAN 21, 2031	8.14	12.04	-0.08
7.875 16-FEB-2032	9.21	12.16	-0.04
7.375 SEP 28, 2033	10.83	11.87	-0.02
7.696 FEB 23, 2038	15.23	12.08	-0.02
7.625 NOV 28, 2047	24.99	11.81	-0.04
9.248 JAN 21, 2049	26.14	12.26	-0.06
8.25 SEP 28, 2051	28.83	12.24	-0.02

Major Business Headlines

- CBN defends naira with \$11.24bn in seven months:** The Central Bank of Nigeria injected \$11.24bn into the economy to stabilise the value of the naira from January 2022 to July. This was obtained in the banking regulator's monthly economic reports on foreign exchange market developments. The report showed [that \\$7.6bn was used to stabilise the naira in the first five months of the year](#). It stated, "Total foreign exchange sales to authorised dealers by the Bank were \$1.75bn in July, a decrease of 15.4 per cent relative to \$2.07bn in June."
- NNPCL flares 100% gas output:** Despite the federal government's gas monetisation policy and pledge to the United Nations to attain net zero by 2060, state oil firm, Nigerian National Petroleum Company Ltd flared 100 per cent of their gas output in September and earned no revenue from it during this period. The NNPCL gas production and utilisation data for September 2022, obtained by The PUNCH, described its subsidiary, Nigerian Petroleum Development Company as one of the worst offenders in gas flaring in September, as the firm and its Joint Venture partners, Seplat Petroleum Development Company and NPDC-Chevron Nigeria, flared 100 per cent of their entire gas output of 106 million standard cubic feet of gas and 7 million standard cubic feet of gas, respectively.

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
57	26-Jan-23	11.79	0.00
71	9-Feb-23	8.46	0.00
99	9-Mar-23	9.18	0.00
148	27-Apr-23	8.32	0.00
162	11-May-23	8.35	0.00
190	8-Jun-23	11.70	0.00
281	7-Sep-23	14.45	-0.01
330	26-Oct-23	15.38	-0.01

Other Key Indices

Indicators	Current	Change
OPEC 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	12.25	-450
O/N	12.88	-462
Repo		
Call	9.25	0.00
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	445.30	-0.30
NAFEX	444.62	-0.12
Parallel Market	755.00	-10.00

^^Forwards

	Rate (\$/N)	Chg (NGN)
1M	452.75	1.28
2M	459.20	4.20
3M	463.22	4.51
6M	486.70	10.46
1Y	507.22	3.85