

Fixed Income and Money Market

FGN Bond Market

FGN bond market was quiet yesterday, with low trading activities registered across board. Thus, the average benchmark yield remained unaltered at 13.08%.

Nigerian Treasury Bill (NTB)

The treasury bills market recorded another quiet yesterday, with minimal trading activities seen across board. The average benchmark yield maintained a constant value at 7.45%.

FGN Eurobond Market

The FGN Eurobond market closed on a bearish note yesterday with selling interests seen on several maturities offset by buying interest on 12 July 2023 instrument. The average benchmark yield increased by 2bps to 12.65%.

Money Market

In the interbank space, despite improved system liquidity, interbank rates remain elevated as banks seek additional NGN7.84 billion in repurchase agreement (repo) and NGN11.28 billion in Standing Lending Facility (SLF) to bolster their liquidity. The rate on Open Buyback (OBB) and Overnight (O/N) transactions increased by 67bps and 41bpa to settle at 11% and 11.25% respectively.

Foreign Exchange Market

Yesterday, the value of naira appreciated by NGN0.25 against the US dollar at the CBN Investors & Exporters Window, as the exchange rate settled lower at NGN436.25/\$1. Nigeria's foreign reserve declined by \$40.614million and \$78.89million to settle at \$38.65 billion and \$38.57 billion on Friday, last week and Monday this week respectively.

Oil Market

- Reuters: Oil prices ticked up this morning on supply concerns, but expectations of another aggressive U.S. interest rate hike capped gains amid investor concerns it could lead to a recession and hurt fuel demand. As of 7.00am this morning, Brent crude futures gained 26 cents to trade at \$90.88 a barrel.
- Reuters: U.S. senators have put forward legislation that would impose secondary sanctions on Russian crude oil, in a move that could provoke two of Russia's largest oil importers, China and India. Targeting banks, the two senators said, would make it more difficult for Russia to evade the price cap by making deals with countries that are not a party to the cap discussed earlier this month, outside the G7.
- Bloomberg: Seaborne crude oil exports out of Russia have dropped by 900,000 barrels per day (bpd) in the past two weeks compared to the last week of August. A storm in the Pacific and an unexplained drop in cargo shipments from the Baltic Sea were the two key reasons for the plunge in Russian crude oil exports by sea in the first half of September. According to Bloomberg's estimates, Russian crude exports by sea averaged 2.54 million bpd in the week to September 16. This was down by nearly 900,000 bpd compared to the estimated shipments of 3.42 million bpd in the week to September 2.
- The American Petroleum Institute (API) reported a build this week for crude oil of 1.035 million barrels, while analysts predicted a bigger build of 2.321 million barrels. The build comes as the Department of Energy released 6.9 million barrels from the Strategic Petroleum Reserves in the week ending September 16, leaving the SPR with 427.2 million barrels. In the week prior, the API reported a build in crude oil inventories of 6.035 million barrels after analysts had predicted a draw of 200,000 barrels.

What to expect today?

Nigerian debt market is expected to extend its yesterday's trend as investor settle Monday's bond auction today. As a result, we expect the interbank rates to inch up higher, as auction settlement dampen liquidity in the system.

The FGN Eurobond market is expected to extend its bearish sentiment today. However, the magnitude of the sentiment will be determined by how high the US Federal Reserve goes at its FOMC meeting today.

FGN BOND					
Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)	
^14.20 14-MAR-2024	14 Mar 2024	1.48	11.03	▬	0.00
13.53 23-MAR-2025	23 Mar 2025	2.51	13.00	▬	0.00
^12.50 22-JAN-2026	22 Jan 2026	3.34	12.77	▬	0.00
^16.2884 17-MAR-2027	17 Mar 2027	4.49	12.82	▬	0.00
^13.98 23-FEB-2028	23 Feb 2028	5.43	12.65	▬	0.00
^14.55 26-APR-2029	26 Apr 2029	6.60	12.64	▬	0.00
^12.1493 18-JUL-2034	18 Jul 2034	11.83	13.35	▬	0.00
^12.50 27-MAR-2035	27 Mar 2035	12.52	13.46	▬	0.00
^12.40 18-MAR-2036	18 Mar 2036	13.49	13.57	▬	0.00
^16.2499 18-APR-2037	18 Apr 2037	14.58	13.68	▬	0.00
^13.00 21-JAN-2042	21 Jan 2042	19.34	13.88	▬	0.00
^14.80 26-APR-2049	26 Apr 2049	26.60	13.59	▬	0.00
^12.98 27-MAR-2050	27 Mar 2050	27.52	13.65	▬	0.00

FGN EUROBOND			
Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12 Jul 2023	9.52	▾ -0.35
7.625 21-NOV-2025	21 Nov 2025	11.62	▴ 0.01
6.50 NOV 28, 2027	28 Nov 2027	11.62	▴ 0.01
6.125 SEP 28, 2028	28 Sep 2028	12.62	▴ 0.13
8.375 MAR 24, 2029	24 Mar 2029	13.50	▴ 0.05
7.143 FEB 23, 2030	23 Feb 2030	13.02	▴ 0.06
8.747 JAN 21, 2031	21 Jan 2031	13.31	▾ -0.01
7.875 16-FEB-2032	16 Feb 2032	13.24	▴ 0.02
7.375 SEP 28, 2033	28 Sep 2033	13.04	▴ 0.06
7.696 FEB 23, 2038	23 Feb 2038	13.17	▴ 0.06
7.625 NOV 28, 2047	28 Nov 2047	13.04	▴ 0.10
9.248 JAN 21, 2049	21 Jan 2049	13.35	▴ 0.04
8.25 SEP 28, 2051	28 Sep 2051	13.40	▴ 0.02

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
23	13 Oct 2022	9.05	▬ 0.00
51	10 Nov 2022	3.92	▬ 0.00
128	26 Jan 2023	10.15	▬ 0.00
142	9 Feb 2023	10.40	▬ 0.00
170	9 Mar 2023	7.81	▬ 0.00
219	27 Apr 2023	5.05	▬ 0.00
233	11 May 2023	6.43	▬ 0.00
261	8 Jun 2023	6.76	▬ 0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	430.00	▬ 0.00
I&E FX Window	436.25	▴ 0.25
NAFEX	428.90	▬ 0.00
Parallel Market	712.00	▬ 0.00

Interbank	Rate (%)	change
OPR	11.00	▴ 67.00
O/N	11.25	▴ 42.00
Repo		
Call	8.00	▬ 0.00
1M	10.00	▬ 0.00
3M	10.00	▬ 0.00
6M	10.00	▬ 0.00

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.826m bpd	+26,000bpd
System liquidity	N142.79bn	+51.65bn
Foreign reserve	\$38.57bn	-78.89mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$90.88	+\$0.26
FAAC Allocation	N954.09bn	+N151.68bn

Major Business Headlines

- FG commences process for Baro port concession:** The Federal Government has said it has [commenced processes for the concessioning of Baro Port having fully concessioned Onitsha Port](#). The Managing Director, National Inland Waterways Authority, Dr George Muoghalu, who spoke to our correspondent in exclusive interview, said the Onitsha River Port had been successfully handed over to the concessionaires, Universal Elysium Consortium.
- Aircraft crisis persists as airlines struggle for forex:** Domestic airlines may suffer forced depletion of aircraft following the struggle of local carriers to raise enough foreign exchange to run checks and conduct comprehensive maintenance of their fleets overseas. In light of this latest development, [aircraft ferried overseas would be forced to remain in various maintenance facilities until the airlines are able to source funds to pay for their repairs and subsequent return to service in Nigeria](#). The result of this is that any aircraft that is due for major check, such as the C-check, which is only carried out overseas at the moment, would be parked.
- DisCos generate N398.16b in half year:** The 11 electricity Distribution Companies ([DisCos](#)) generated [N398.16 billion in the first and second quarters of the year](#), the National Bureau of Statistics (NBS) has said. It noted that quarterly, the revenue collections declined by 7.97 per cent, adding that yearly, the revenue collections 11.42 per cent and 1.71 per cent.