

### FGN Eurobond Market

The Eurobond market extended its bullish streak into last week, despite investors' risk-off sentiment towards the end of the week.

The selloffs experienced towards the end of last week were mainly due to the weak economic data from the US and the increasing likelihood of an interest rate hike in the Fed's next meeting, while the easing inflation gives hope of a soft landing. As a result, the average benchmark yield declined by 3bps to close at 10.30% on a weekly basis.

### FGN Bond Market

Last week, the FGN bond market closed on a bearish note, with selling interests seen across maturities. As a result, the average benchmark yield rose by 74bps (basis points) to close at 13.94% week-on-week.

### Nigerian Treasury Bill (NTB)

The treasury bills market was quiet most of last week, with positive sentiments on selected long-term maturities. At the end of the week, the average benchmark increased by 33bp to close at 3.79% on a weekly basis.

### Money Market

At the interbank space last week, system liquidity was relatively stable as the interbank rates stayed constant most of the week. However, CRR debit and Retail FX funding pushed up the interbank rates as the rates on Open Buyback (OBB) and Overnight (O/N) transactions surged by 150bps and 167bps to close at 11.00% and 11.50%, respectively.

### Foreign Exchange Market

Last week, Naira appreciated 40 kobo (week-on-week) against the US dollar as the exchange rate settled lower at NGN461.90/\$1. Likewise, Naira lost 12 naira against the US dollar at the parallel market as the exchange closed higher at NGN757/\$1 on Friday.

Meanwhile, Nigeria's foreign reserve declined by \$3.79 million last Thursday, settling higher at \$37.202 billion.

### Oil Market

Reuters: Oil prices drifted lower in early trade this morning, thinned by the Lunar New Year holiday in east Asia, but held on to most of last week's gains on the prospect of an economic recovery in top oil importer China this year.

As of 8:15 am, this morning, Brent crude futures was down by 5 cents to trade at \$87.58, while U.S. West Texas Intermediate (WTI) crude futures fell 1 cent to trade at \$81.28 a barrel. Last week, Brent rose 2.8%, while the U.S. benchmark registered a 1.8% gain.

Data shows a solid pick-up in travel in China after COVID-19 curbs were eased, pointing to a 22% jump in road traffic congestion so far this month from a year earlier in the country's 15 key cities.

Meanwhile, International Energy Agency head Fatih Birol on Friday said energy markets could tighten this year if the Chinese economy rebounds the way financial institutions expect.

In the other news, the European Union and Group of Seven (G7) coalition will cap prices of Russian refined products starting on Feb. 5, in addition to their price cap on Russian crude in place since December and an EU embargo on imports of Russian crude by sea.

The G7 has agreed to delay a review of the level of the price cap on Russian oil to March, a month later than originally planned, to give time to assess the impact of the oil products price caps.

### What to expect this week?

The Nigerian debt is expected to sustain its bearish sentiment at the start of the week, while outcomes from the MPC meeting are expected to influence the sentiments in the market for the rest of the week.

Interbank rates are expected to hover in the single-digit region this week, on the back of stable system liquidity and expected coupon payment this week.

The FGN Eurobond market is expected to extend its bullish streak this week while investors monitor development on the global front.

### Other Key Indices

Indicators	Current	Change
System liquidity	N493.04bn	+N103.91bn
Foreign reserve	\$37.202bn	+\$3.79mn
Nig. Crude output	1.267mbpd	+97,000bpd
OPEC Quota	1.826m bpd	+26,000bpd
Brent Crude	\$87.58	-\$0.05
FAAC Allocation	N990.18bn	+N88.148bn

### Major Business Headlines

**FG sugar master plan under threat over investors' apathy:** The Nigerian Sugar Masterplan, a road map to sugar self-sufficiency, was recently renewed for another 10 years. The Nigerian Sugar Masterplan may just be another failed policy, [as it is currently being threatened by insufficient investment. Investors have failed to buy into the lofty policy](#), which was designed to make the country one of the net exporters of sugar in the world, increase its foreign exchange earnings and help revamp the economy. They have not keyed into the Sugar Masterplan because it takes some time to recoup the investment in the sugar industry and fear of policy inconsistency. Many experts also expressed worry that the NSMP did not witness a significant injection of investments due to the harsh business climate, Nigeria's dwindling economy and policy inconsistencies on the part of the government.

**Experts see improved performance in H2 ahead MPC meeting:** Ahead of the general elections, economists and allied professionals are beginning to see improved economic performance in the second half of the year. Some of the experts, who spoke at the yearly Nigeria Economic Outlook organised by First Bank of Nigeria Limited, based their optimism on the forthcoming change in the political leadership, rising confidence in the economy and possible commencement of Dangote Refinery. The projection came ahead of the first Monetary Policy Committee (MPC) meeting holding today and tomorrow in Abuja. The Committee started an aggressive monetary tightening last May, and has so far [increased the benchmark interest rate by 500 basis points \(bps\)](#). The increase has raised the monetary policy rate (MPR) from 11.5 per cent to 16.5 per cent, the highest in decades. The market is expecting a slower rate increase and a pause or a pivot later in the year.

# MARKET DAILY UPDATES – 20th January 2023



## Fixed Income

### FGN Bond

Description	TTM (Yrs)	Yield (%)	Change (%)	W-o-W (%)
Λ14.20 14-MAR-2024	1.15	10.60	▼ -0.01	▼ -0.42
Λ13.53 23-MAR-2025	2.17	12.05	▬ 0.00	▲ 0.34
Λ12.50 22-JAN-2026	3.01	12.39	▬ 0.00	▲ 0.42
Λ16.2884 17-MAR-2027	4.15	13.90	▬ 0.00	▲ 1.66
Λ13.98 23-FEB-2028	5.09	13.62	▬ 0.00	▲ 1.12
Λ14.55 26-APR-2029	6.26	13.78	▬ 0.00	▲ 0.28
Λ12.1493 18-JUL-2034	11.49	14.49	▬ 0.00	▲ 0.95
Λ12.50 27-MAR-2035	12.18	14.58	▬ 0.00	▲ 1.08
Λ12.40 18-MAR-2036	13.16	14.92	▬ 0.00	▲ 1.21
Λ16.2499 18-APR-2037	14.24	15.29	▬ 0.00	▲ 0.36
Λ13.00 21-JAN-2042	19.00	15.15	▬ 0.00	▲ 0.95
Λ14.80 26-APR-2049	26.26	15.36	▲ 0.16	▲ 0.91
Λ12.98 27-MAR-2050	27.18	15.03	▲ 0.13	▲ 0.48

### Nigerian Treasury Bills

DTM	Maturity	Yield (%)	Change (%)	W-o-W (%)
20	9-Feb-23	1.54	▬ 0.00	▬ 0.00
48	9-Mar-23	1.83	▬ 0.00	▬ 0.00
97	27-Apr-23	2.44	▬ 0.00	▬ 0.00
111	11-May-23	2.72	▬ 0.00	▬ 0.00
139	8-Jun-23	3.29	▬ 0.00	▬ 0.00
230	7-Sep-23	5.20	▬ 0.00	▬ 0.00
279	26-Oct-23	5.85	▬ 0.00	▼ -0.44
293	9-Nov-23	6.03	▬ 0.00	▼ -0.23
321	7-Dec-23	5.23	▬ 0.00	▬ 0.00

## Commodities

Commodities	Price	Change (%)
Brent	87.64	▲ 0.01
Bonny	87.40	▲ 1.66
Natural Gas	3.43	▲ 8.22
Gold	1,928.48	▲ 0.11
Silver	24.06	▲ 0.50
Copper	4.28	▲ 0.76
Cocoa	2,451.77	▼ -0.15
Coffee	154.00	▼ -0.65
Wheat	737.00	▼ -0.61

### FGN Eurobond

Description	TTM (Yrs)	Yield (%)	Change (%)	W-o-W (%)
6.375 JUL 12, 2023	0.48	7.73	▼ -0.37	▲ 0.32
7.625 21-NOV-2025	2.84	8.79	▼ -0.11	▼ -0.35
6.50 NOV 28, 2027	4.86	8.79	▼ -0.11	▼ -0.35
6.125 SEP 28, 2028	5.69	10.02	▼ -0.08	▼ -0.04
8.375 MAR 24, 2029	6.18	10.64	▼ -0.07	▼ -0.30
7.143 FEB 23, 2030	7.09	10.62	▼ -0.04	▼ -0.01
8.747 JAN 21, 2031	8.00	10.85	▼ -0.02	▼ -0.08
7.875 16-FEB-2032	9.07	10.90	▼ -0.04	▬ 0.00
7.375 SEP 28, 2033	10.69	10.86	▼ -0.03	▲ 0.13
7.696 FEB 23, 2038	15.09	11.14	▼ -0.04	▲ 0.07
7.625 NOV 28, 2047	24.86	10.93	▼ -0.04	▲ 0.16
9.248 JAN 21, 2049	26.00	11.30	▼ -0.05	▲ 0.01
8.25 SEP 28, 2051	28.69	11.31	▼ -0.05	▲ 0.09

## Money Market

//	Amount (NGN'bn)	Chg (NGN'bn)
System Liquidity	493.04	▲ 103.91

Interbank	Rate (%)	change
OPR	11.00	▲ 150
O/N	11.50	▲ 167
<b>Repo</b>		
Call	5.50	▬ 0.00
1M	8.00	▬ 0.00
3M	8.00	▬ 0.00
6M	8.00	▬ 0.00

Currencies/Index	Rate (%)	Chg (%)
US Dollar Index	101.82	▼ -0.19
EUR/USD	1.089	▲ 0.29
GBP/USD	1.241	▲ 0.16

## Foreign Exchange

Index	Amount (\$'bn)	Chg (\$'mn)
Foreign Reserve	37.21	▼ -3.79

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	▬ 0.00
I&E FX Window	461.50	▬ 0.00
NAFEX	461.25	▼ -0.04
Parallel Market	757.00	▬ 0.00

^^Forwards	Rate (\$/N)	Chg (NGN)
1M	479.62	▲ 1.39
2M	485.03	▲ 1.80
3M	486.55	▲ 1.63
6M	500.42	▲ 4.24
1Y	531.47	▲ 4.25

## Equities & Global Market

Indices	Points	Change (%)
NGX YTD	2.62%	
NGX All Share	52,594.68	▼ -0.06
NGX Banking	438.79	▲ 0.37
NGX 30	1898.91	▼ -0.06
NGX Consumer Goods	628.57	▼ -0.62
S&P 500	3,972.61	▲ 1.89
FTSE 100	7,770.59	▲ 0.30
Euro STOXX 50	4,119.90	▲ 0.63
US 10-year	3.471	▼ -0.013
UK 10-year	3.348	▼ -0.033
German 10-year	2.175	▲ 0.004

Source: FMDQ, CBN, Reuters, CNBC, Business Insider

\*\*\*Global Market & Commodities' quotes are as of 6:48 am (GMT+1) – 23rd January 2023

\*\*Bonny oil price is as of 20th January 2023