

## Fixed Income and Money Market

### FGN Bond Market

The FGN bond market closed relatively bullish yesterday, with low trading activities seen across board. The average benchmark yield declined by 1bp (basis point) to 13.02%.

### Nigerian Treasury Bill (NTB)

The treasury bills market extended its quiet session yesterday, as investors partake in the primary auction sales today. The average benchmark remained unchanged at 8.06%.

### FGN Eurobond Market

FGN Eurobond Market was bullish yesterday with buying interests seen across board, supported by bullishness in the oil market. The average benchmark yield declined by 19bps to settle at 12.59%.

### Money Market

System liquidity remained weak despite inflow from OMO repayment yesterday as banks seek additional repurchase agreement (repo) of NGN68.86 billion to bolster their liquidity. The Open Buy back (OBB) and Overnight (O/N) rates maintained constant values at 14.50% and 15.00% respectively.

### Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira depreciated by NGN1.24 against the US dollar as the exchange rate settled at NGN430.67/\$1. Nigeria's foreign reserve increased by \$27.47million to settle at \$38.94billion on Monday this week.

### Oil Market

- *Reuters*: Oil prices fell earlier this morning, taking a breather from a near 4% surge yesterday, on receding fears of an imminent output cut by the Organization of the Petroleum Exporting Countries and allies, a group known as OPEC+. However, as of 8.45am this morning, Brent crude futures gained 12 cents to trade at \$100.3 a barrel.
- Oilprices: Iran and Russia move to create a global natural gas cartel with the US\$40 billion memorandum of understanding (MoU) signed last month between Gazprom and the National Iranian Oil Company (NIOC). This will enable Russia and Iran implement their long-held plan to be the core participants in a global cartel for gas suppliers in the same mold as the Organization of the Petroleum Exporting Countries (OPEC) for oil suppliers.
- The American Petroleum Institute (API) reported a large draw this week for crude oil of 5.632 million barrels, while analysts predicted a draw of 448,000 barrels. The build comes as the Department of Energy released a massive 8.1 million barrels from the Strategic Petroleum Reserves in week ending August 19, leaving the SPR with just 453.1 million barrels. U.S. crude inventories have shed some 67 million barrels since the start of 2021, with a 4 million barrel gain since the start of 2020, according to API data. In the week prior, the API reported a draw in crude oil inventories of 448,000 barrels after analysts had predicted a draw of 117,000 barrels.

FGN Bond Yields			
Tenor	Open	Close	Change
^12.75 27-APR-2023	7.09%	7.04%	-0.05
^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 (79 days)	3.93%	3.93%	0.00
9-FEB-2023 (170 days)	10.49%	10.49%	0.00
08-JUN-2023 (289 days)	6.80%	6.80%	0.00
Nigerian Eurobond Yields			
6.375 JUL 12, 2023	10.35%	10.03%	-0.32
6.50 NOV 28, 2027	12.42%	12.18%	-0.24
7.875 16-FEB-2032	13.04%	12.89%	-0.15
Forex Spot rates			
I&E Market	429.43	430.67	+1.24
SMIS Market	430.00	430.00	0.00
Parallel Market	685.00	685.00	0.00
Forex Forward rates			
1 month	429.38	429.25	-0.13
6 months	451.23	451.01	-0.22
12 months	478.90	478.25	-0.65

### What to expect today?

The Nigerian debt market is expected to be quiet in anticipation of today's treasury bill auction while Eurobond market is expected to be less bullish as recession worries overshadow the expected supply cut from OPEC. The interbank rates is expected to remain elevated in the absence of any material inflow.

### Other Key Indices

Indicators	Current	Change
OBB	14.50%	0.00bps
O/N	15.00%	0.00bps
System liquidity	N59.35bn	-37.44bn
Foreign reserve	\$38.94bn	+\$27.47mn
OPEC Quota	1.826m bpd	+26,000bpd
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$100.3	+\$0.12
FAAC Allocation	N802.407bn	+N145.805bn

### Major Business Headlines

- **NEPC: Non-oil Exports Generated \$2.6bn in Half-year of 2022:** Executive Director/Chief Executive, Nigerian Export Promotion Council (NEPC), Dr. Ezra Yakusak, yesterday said [total non-oil exports was about \\$2.60 billion in the first half of the year \(January – June 2022\)](#), representing an increase of 62.37 per cent compared to about \$1.60 billion and \$981.44 million recorded in the first half of 2021 and 2020, respectively.
- **\$33m Azura Power Deal:** The House of Representatives Committee on Finance has invited the Ministers of Power, Finance, Heads of Bureau of Public Procurement (BPP), Niger Delta Power Holding Company (NDPHC), Nigeria Bulk Electricity Transmission (NBET), Transmission Company of Nigeria (TCN) and the Nigeria Electricity Regulatory Commission (NERC) over the [\\$33 million Azura power purchase agreement](#).
- **Nigeria recovers N86.2bn stolen oil in one month:** Different government security outfits operating across the country have [recovered stolen oil worth N86.2bn in August](#), according to The Punch's findings. A total of 16,000 litres of diesel valued at N800/litre (N12.8m) were on Monday reported to have been recovered by members of the Nigeria Security and Civil Defence Corps in Cross River. Also, last Wednesday, the Nigeria Customs Service, NCS, Seme Area Command, said it intercepted 3,998 jerry cans of Premium Motor Spirit, PMS, in 30 litres each, equivalent to 119,940 litres.