

### Fixed Income and Money Market

#### FGN Bond Market

The FGN bond market was tepid yesterday as mixed interests seen on few maturities. Thus, the average benchmark yield remained unchanged at 11.49%.

#### Nigerian Treasury Bill (NTB)

The treasury bills market was mostly tepid yesterday. However, selling interests were seen on selected maturities. The average benchmark yield rose by 5 basis points (bps) to close at 4.66%.

#### FGN Eurobond Market

FGN Eurobond market sustained its bearish trend yesterday, with selling interests seen across board as risk-off sentiment return to the market. The average benchmark yield rose by 16 bps to close at 12.74%.

#### Money Market

In the interbank space, the system liquidity remained significantly tight as banks seek additional standing lending facility of NGN411 billion to bolster their liquidity. Subsequently, the interbank rates declined marginally as the rates on Open Buy back (OBB) and Overnight (O/N) transactions slipped by 17bps and 13bps to close at 13.83% and 14.00% respectively.

#### Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, Naira appreciated by 22 kobo against the US dollar as the exchange rate closed lower at NGN420.17/\$1. On Wednesday, this week, Nigeria's foreign reserve climbed by \$29.62 million to settle at \$38.848 billion.

#### Oil Market

- Reuters: Oil prices dropped by nearly \$2 a barrel yesterday after another round of remarks from Federal Reserve Chair Jerome Powell fanned worries U.S. interest rate hikes would slow economic growth. Powell said the Fed's focus on curbing inflation was "unconditional" and the labor market was unsustainably strong, comments that stoked fears of more rate hikes. Thus, Brent crude futures settled at \$110.05 a barrel, falling \$1.69 while U.S. West Texas Intermediate (WTI) crude futures settled at \$104.27 a barrel, down \$1.92..
- Oil was down on earlier today in Asia as fears of slower demand from slowing U.S. economic growth and supply concerns further weighed on the market. As of 7:40am this morning, Brent crude futures slipped by \$1.28 to trade at \$110.50 per barrel.
- OPEC and allied producing countries is expected to likely stick to its plan for accelerated output increases in August in hopes of easing crude prices and inflation as U.S. President Joe Biden plans to visit Saudi Arabia, sources said. OPEC+ agreed at its last meeting on June 2 to boost output by 648,000 barrels a day in July, or 7% of global demand, and by the same amount in August, up from the initial plan to add 432,000 bpd a month over three months until September.
- On the other hand, U.S. crude supply data from the American Petroleum Institute showed a build of 5.607 million barrels for the week ended June 17, which also weighed on prices. According to a source familiar with the discussions, the emergency meeting between Major U.S. oil refiners and Energy Department over the issue of rising gasoline price ended with no concrete solutions to lower prices, but the two sides agreed to work together.

### FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	6.08%	6.11%	+0.03
^16.29 17-MAR-2027	10.72%	10.72%	0.00
^12.15 18-JUL-2034	12.20%	12.20%	0.00

### Nigerian Treasury Bills Yields

8-SEPT-2022 (77 days)	3.48%	3.48%	0.00
26-JAN-2023 (217 days)	5.22%	5.25%	+0.03
11-MAY-2023 (322 days)	6.09%	6.09%	0.00

### Nigerian Eurobond Yields

6.375 JUL 12, 2023	8.48%	8.50%	+0.02
6.50 NOV 28, 2027	12.48%	12.59%	+0.11
7.875 16-FEB-2032	13.39%	13.55%	+0.16

### Forex Spot rates

I&E Market	420.50	420.17	-0.33
SMIS Market	430.00	430.00	0.00
Parallel Market	610.00	604.00	-6.00

### Forex Forward rates

1 month	420.49	420.44	-0.05
6 months	438.50	438.41	-0.09
12 months	461.77	461.78	+0.01

### Other Key Indices

Indicators	Current	Change
OBB	13.83%	-17bps
O/N	14.00%	-13bps
System liquidity (op. bal)	N68.69bn	-26.71bn
Foreign reserve	\$38.848bn	+29.62mn
Nig. Crude output	1.2m bpd	-40,000bpd
Brent Crude	\$110.50	-\$1.28
FAAC Allocation	N656.60bn	+N90.56bn

### Major Business Headlines

- FG saves N10.2tn via TSA/IPPS, uncovers 70,000 ghost workers:** The Federal Government-backed Integration Personnel and Payroll Information System has so far exposed and eliminated about 70,000 ghost workers in the civil service system, the Director-General, Bureau of Public Service Reforms, Dr. Dasuki Arabi, has said. He said [the government had saved at least N220bn via IPPS](#). Similarly, he said about N10tn had also been through the Treasury Single Account since it was fully implemented by the Buhari regime. Arabi stated this at the 43rd session of the ministerial briefing organised by the Presidential Communication Team at the Presidential Villa, Abuja on Thursday.
- Airlines rally governments behind safe rollout of 5G networks:** World airlines have urged governments to work closely with the aviation industry to ensure that aviation and incumbent [aviation safety systems can safely co-exist with new 5G services](#). The operators, under the aegis of the International Air Transport Association (IATA), said that only a coordinated approach would safeguard risks to airlines' operations. Air travel went chaotic early this year as some foreign airlines withdrew flight services into the United States citing safety concerns over 5G rollout.
- NING commits to supplying all LPG produced for domestic market:** Nigeria LNG Limited has reiterated its [commitment to 100 per cent of its Liquefied Petroleum Gas \(LPG\) production to the domestic market to support](#) the growth of LPG utilisation in the country and help reduce the health, safety and environmental risks associated with the use of other domestic fuel sources. The Deputy Managing Director of Nigeria LNG Limited (NLNG), Oladekan Ogunleye stated NLNG remained committed to collaborating with regulators, partners, and industry players to grow the domestic LPG market and bring cleaner energy to Nigerians.