

FGN Eurobond Market

The FGN Eurobond market was mostly bearish last week as expectations for an imminent peak in the Federal Reserve's interest rate in the Fed's next policy meeting edged ahead of U.S. banking sector concerns. At the end of the week, the average benchmark yield increased by 28 basis points (bps) to close at 13.17%.

FGN Bond Market

Last week, the FGN Bond market was mostly tepid, with buying interests registered on short maturities. As a result, the average benchmark yield at the end of the week declined by 1bp to 14.32%.

Nigerian Treasury Bill (NTB)

The treasury bill market was largely quiet last week. However, the market registered minimal buying interests along the curve. Overall, the average benchmark yield slipped by 2bps to 8.15%, week-on-week.

Money Market

At the money market last week, dampened system liquidity kept the interbank rates elevated most of the week. Likewise, the market registered increased activities at the Standing Deposit Facility as banks borrowed NGN1.8tn during the week. As a result, the rates on open buyback and overnight transactions settled at 18.63% and 19.00% at the end of the week.

Foreign Exchange Market

Last week, Naira depreciated (week-on-week) against the US dollar as the exchange rate rose by NGN0.42 to settle at NGN463.67/\$1. At the parallel market, Naira depreciated against the US dollar as the exchange rose by 1 naira to NGN742/\$1, week-on-week. Meanwhile, Nigeria's foreign reserve declined by \$11.29 million last Wednesday, settling lower at \$35.326 billion.

Oil Market

- Reuters: Oil prices were steady this morning as investors weighed strong holiday travel in China that could boost fuel demand against the prospect of rising interest rates elsewhere, slowing economic growth.
- Brent crude traded at \$82.73 a barrel as of 6.00am this morning, while U.S. West Texas Intermediate crude traded at \$78.78 a barrel.
- Oil futures had risen more than 1% on Monday on optimism that holiday travel in China would increase fuel demand in the world's second-biggest economy.
- Bookings in China for trips abroad during the upcoming May Day holiday point to a continued recovery in travel to Asian countries. Still, the numbers remain far off pre-COVID levels, with long-haul airfares soaring and not enough flights available.
- "Investors expressed optimism that Chinese holiday travel would boost fuel demand in the world's largest oil importer," said Leon Li, an analyst at CMC Markets. "In addition, expectations for a slowdown in U.S. gross domestic product growth in the first quarter prompted a pullback in the U.S. dollar index yesterday, supporting gains in oil prices."

What to expect today?

We expect the FGN bond to start on a positive note with most market activities projected to focus on mid-to long-tenured maturities while the T-bills market is expected to stay quiet as primary auction takes place mid week.

Also, interbank rates are expected to remain elevated in the absence of any significant inflow.

We expect the FGN Eurobond market to close on a bearish note today as rising concerns that the U.S. Treasury Department could hit its debt limit in the coming months are leading investors to shun certain Treasury bills and pour into others as they seek out low risk places to park cash.

Other Key Indices

Indicators	Current	Change
System liquidity	N91.47bn	-N102.917bn
Foreign reserve	\$35.326bn	-\$11.29mn
Nig. Crude output	1.39mbpd	+100,000bpd
OPEC Quota	1.826m bpd	+26,000bpd
Brent Crude	\$82.73	\$0.00
FAAC Allocation	N722.68bn	-N27.49bn

Major Business Headlines

- NNPCL expenditure on AKK pipeline hits \$1.1billion:** The Nigerian National Petroleum Company Limited (NNPCL) has so far spent [\\$1.1billion on the \\$2.5 billion Ajaokuta-Kaduna-Kano \(AKK\) gas pipeline project](#). Group Executive Officer, Nigerian National Petroleum Company Limited (NNPCL), Malam Mele Kyari, broke the news to reporters at Ahoko Gbagyi, Kogi State yesterday. According to him, "So far, NNPC has funded over \$1.1 billion on the project and to date none of the project activities are abandoned as reported and we reassure all stakeholders that we have a line of sight to project delivery on schedule." He also said the project would support electricity generation with a total of 3,600MW aside triggering support for the industrial and commercial customers on the corridor of the pipeline.
- Nigeria's indebtedness to World Bank now N6tn:** Nigeria's borrowing from the World Bank has risen by 121.46 per cent under the regime of the President, Major General Muhammadu Buhari (retd.), findings by *The PUNCH* have shown. *The PUNCH* learnt that the [total debt owed to the World Bank Group by Nigeria rose by \\$7.64bn](#) (N3.52tn, using the exchange rate of the Central Bank of Nigeria, which was N460.53 per dollar as of April 23, 2023) in seven years. Specifically, the country's indebtedness to the Washington DC, United States-based lender rose from \$6.29bn (N2.9tn) as of December 2015 to \$13.93bn (N6.42tn) as of December 2022, according to data from the external debt stock reports by the Debt Management Office.

MARKET DAILY UPDATES – 20th April 2023



Fixed Income

FGN Bond

Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)	W-O-W (%)
^13.53 23-MAR-2025	23 Mar 2025	1.92	11.13	0.00	-0.02
^12.50 22-JAN-2026	22 Jan 2026	2.76	12.39	0.00	-0.23
^16.2884 17-MAR-2027	17 Mar 2027	3.91	13.49	0.00	-0.01
^13.98 23-FEB-2028	23 Feb 2028	4.84	14.00	0.00	0.00
^14.55 26-APR-2029	26 Apr 2029	6.02	14.27	0.00	0.00
^12.50 27-APR-2032	27 Apr 2032	9.02	14.70	0.00	-0.06
^12.1493 18-JUL-2034	18 Jul 2034	11.24	14.75	0.00	0.00
^12.50 27-MAR-2035	27 Mar 2035	11.93	14.75	0.00	0.00
^12.40 18-MAR-2036	18 Mar 2036	12.91	14.76	0.00	0.00
^16.2499 18-APR-2037	18 Apr 2037	14.00	15.33	0.00	-0.07
^13.00 21-JAN-2042	21 Jan 2042	18.76	15.32	0.00	0.19
^14.80 26-APR-2049	26 Apr 2049	26.02	15.61	0.00	0.00
^12.98 27-MAR-2050	27 Mar 2050	26.93	15.69	0.00	0.08

FGN Eurobond

Description	Maturity Date	Yield (%)	Change (%)	W-O-W (%)
6.375 JUL 12, 2023	12-Jul-2023	13.57	0.33	0.43
7.625 21-NOV-2025	21-Nov-2025	12.37	0.09	0.41
6.50 NOV 28, 2027	28-Nov-2027	12.37	0.09	0.41
6.125 SEP 28, 2028	28-Sep-2028	12.67	0.14	0.41
8.375 MAR 24, 2029	24-Mar-2029	13.49	0.06	0.28
7.143 FEB 23, 2030	23-Feb-2030	13.30	0.07	0.34
8.747 JAN 21, 2031	21-Jan-2031	13.51	0.02	0.13
7.875 16-FEB-2032	16-Feb-2032	13.30	0.08	0.28
7.375 SEP 28, 2033	28-Sep-2033	13.23	0.10	0.31
7.696 FEB 23, 2038	23-Feb-2038	13.40	0.08	0.25
7.625 NOV 28, 2047	28-Nov-2047	13.07	0.03	0.20
9.248 JAN 21, 2049	21-Jan-2049	13.53	0.01	0.05
8.25 SEP 28, 2051	28-Sep-2051	13.39	0.03	0.19

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)	W-O-W (%)
7	27-Apr-2023	3.56	0.00	0.00
21	11-May-2023	3.90	0.00	0.00
49	8-Jun-2023	5.54	0.00	-0.01
140	7-Sep-2023	6.92	0.00	-0.01
189	26-Oct-2023	8.25	0.00	-0.01
203	9-Nov-2023	8.65	0.00	-0.01
231	7-Dec-2023	9.46	0.00	-0.01
280	25-Jan-2024	10.94	0.00	-0.02
294	8-Feb-2024	11.39	0.00	-0.02
322	7-Mar-2024	12.91	0.00	-0.03

Commodities

Commodities	Price	Change (%)
Brent	82.73	0.00
Bonny	81.76	0.55
Natural Gas	2.24	-0.03
Gold	19.00	15.12
Silver	25.37	0.30
Copper	4.02	0.00
Cocoa	2,985.00	0.00
Coffee	190.50	0.00
Wheat	675.50	1.50

Money Market

//	Amount (NGN'bn)	Chg (NGN'bn)
System Liquidity	91.47	-102.92

Interbank	Rate (%)	Change (%)
OPR	18.63	0.00
O/N	19.00	0.00
REPO		
Call	5.00	0.00
1M	11.00	0.00
3M	11.50	0.00
6M	12.00	0.00

Currencies/Index	Rate (%)	Change (%)
US Dollar Index	101.35	-0.07
EUR/USD	1.0934	0.22
GBP/USD	1.2443	0.15

Foreign Exchange

Index	Amount (\$'bn)	Chg (\$'mn)
Foreign Reserve	35.326	-11.29

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	462.00	0.00
I&E FX Window	463.67	1.17
NAFEX	462.46	0.05
Parallel Market	742.00	0.00

Equities & Global Market

Indices	Points	Change (%)
NGX YTD	8.35%	
NGX All Share	51,355.74	0.35
NGX Banking	430.74	2.90
NGX 30	1,848.93	0.53
NGX Consumer Goods	699.91	-0.02
S&P 500	4,137.04	0.090
FTSE 100	7,912.20	-0.020
Euro STOXX 50	4,401.00	-0.150
US 10-year	3.509	-0.063
UK 10-year	3.783	0.000
German 10-year	2.51	0.019

Source: FMDQ, CBN, Reuters, CNBC

***Global Market & Commodities' quotes are as of 6.00am (GMT+1) – 25th April, 2023

**Bonny oil price is as of 25th April 2023