

FGN Eurobond Market

The FGN Eurobond market closed on a bullish note yesterday as the US dollar held close to an eight-month low against its peers yesterday amid mixed market catalysts. Thus, the average benchmark yield slipped by 6bps, closing at 10.67%.

FGN Bond Market

The FGN Bond market traded lightly yesterday, with positive interests registered on short-term maturities (with a few selloffs on January 2026 maturity). As a result, the average benchmark yield declined by one (1) basis point (bp) to close at 13.83%

Nigerian Treasury Bill (NTB)

The treasury bill market was quiet yesterday as investors focused on the Treasury bill primary auction yesterday. Consequently, the average benchmark yield remained unchanged, closing at 3.79%.

At yesterday's treasury bills auction, the DMO sold NGN220.53 billion worth of bills, the same as offered. The rates on the 91-day, 182-day, and 364-day bills were allotted at 0.29%, 1.80%, and 4.78%, respectively. Compared to the previous auction, the rate on 91-day, 182-day, and 364-day bills fell by 171bp, 253bps, and 252bps, respectively. The bid-to-cover ratio across the three papers stood at 54.17x, 71.13x, and 3.96x.

Money Market

Despite improved liquidity conditions, the interbank rates edged higher yesterday. As a result, open Buyback (OBB) and overnight (O/N) rates rose by 67bps and 66bps to settle at 10.50% and 10.83%, respectively.

Foreign Exchange Market

At the I&E window yesterday, Naira appreciated 30 kobo against the US dollar as the exchange rate settled lower at NGN461.70/\$1. On the other hand, Nigeria's foreign reserve closed at \$37.12 billion after it declined by \$24.70 million last Tuesday.

Oil Market

Reuters: Oil prices were steady this morning after US crude stocks climbed less than expected. At the same time, investors awaited further clarity on supply drivers, including an OPEC+ meeting and the looming EU ban on Russian refined products.

According to Citi analysts, the market awaits to get more clarity on the upcoming EU embargo on Russian refined products and the subsequent reshuffle of trade flows while OPEC+ delegates head into their next meeting. They added that the forthcoming EU embargo on Russian refined products remains a significant source of concern for the market, with widespread dislocations expected to materialize.

Oil prices were also little changed after data showed a build in US crude inventories which was less than expected. According to the Energy Information Administration (EIA), crude inventories increased by 533,000 barrels to 448.5 million barrels in the week ending Jan. 20.

As of 8:15 am this morning, Brent crude was up 7 cents to \$86.28 per barrel, while US West Texas Intermediate (WTI) crude rose 28 cents to \$80.43 per barrel.

What to expect today?

The Nigerian bond and T-bill markets are expected to close bullish today as investors will likely seek to meet their unmet bids in the secondary market today.

On the other hand, the interbank rates are expected to dip lower today due to improved liquidity conditions in the market.

The FGN Eurobond market is expected to trade sideways amid mixed market catalysts as investors fixate on next week's series of central bank meetings as the US Federal Reserve, European Central Bank, and Bank of England decide on their rate-hike paths.

FGN Bond				
Description	TTM (Yrs)	Yield (%)	Change (%)	
^14.20 14-MAR-2024	1.13	10.01	▼	-0.01
^13.53 23-MAR-2025	2.16	11.65	▼	-0.17
^12.50 22-JAN-2026	2.99	12.56	▲	0.09
^16.2884 17-MAR-2027	4.14	13.37	▬	0.00
^13.98 23-FEB-2028	5.08	13.62	▬	0.00
^14.55 26-APR-2029	6.25	13.78	▬	0.00
^12.1493 18-JUL-2034	11.48	14.49	▬	0.00
^12.50 27-MAR-2035	12.17	14.58	▬	0.00
^12.40 18-MAR-2036	13.14	14.92	▬	0.00
^16.2499 18-APR-2037	14.23	15.34	▼	-0.01
^13.00 21-JAN-2042	18.99	15.15	▬	0.00
^14.80 26-APR-2049	26.25	15.36	▬	0.00
^12.98 27-MAR-2050	27.17	14.96	▬	0.00

FGN Eurobond				
Description	TTM (Yrs)	Yield (%)	Change (%)	
6.375 JUL 12, 2023	0.46	8.15	▼	-0.08
7.625 21-NOV-2025	2.82	9.36	▲	0.02
6.50 NOV 28, 2027	4.84	9.36	▲	0.02
6.125 SEP 28, 2028	5.68	10.26	▼	-0.12
8.375 MAR 24, 2029	6.16	11.03	▼	-0.10
7.143 FEB 23, 2030	7.08	10.98	▼	-0.05
8.747 JAN 21, 2031	7.99	11.27	▼	-0.01
7.875 16-FEB-2032	9.06	11.27	▼	-0.09
7.375 SEP 28, 2033	10.68	11.13	▼	-0.06
7.696 FEB 23, 2038	15.08	11.40	▼	-0.10
7.625 NOV 28, 2047	24.84	11.25	▼	-0.08
9.248 JAN 21, 2049	25.99	11.62	▼	-0.06
8.25 SEP 28, 2051	28.68	11.65	▼	-0.10

Major Business Headlines

- Buhari welcomes \$538m agric fund by AfDB, others:** The President, Major General Muhammadu Buhari (retd.), on Wednesday in Senegal, lauded the provision of \$538.05m by the African Development Bank, the Islamic Development Bank, and the International Fund for Agricultural Development for the first phase of the Special Agro-Industrial Processing Zones for Nigeria programme. This was as he said urged his counterparts to allocate at least 10 per cent of their nations' budgets to agriculture as agreed in the Malabo Declaration of the African Heads of State and Government. "I am pleased with the partnership approach used for Nigeria by the multilateral financing institutions, with the African Development Bank providing \$210m, the Islamic Development Bank and the International Fund for Agricultural Development providing \$310m, and the Government of Nigeria providing \$18.05m," Buhari said in his goodwill message to the Feed Africa Summit of Heads of State and Government in Dakar.
- Interswitch Secures CBN's Payment Service Holding Company License:** Interswitch Group one of Africa's leading financial technology and integrated payments solution providers has announced receipt of a Payments Service Holding Company (PSHC) License issued by the Central Bank of Nigeria (CBN). This follows an earlier [announcement by the CBN regarding new licensing categories for participants](#) in the Nigerian Payments System. By virtue of the development, which was formally communicated on Friday, January 13, 2023 by the apex bank, Interswitch essentially becomes one of the inaugural licensees by the CBN in this category.

Nigerian Treasury Bill				Other Key Indices			Interbank			Spot				
DTM	Maturity	Yield (%)	Change (%)	Indicators	Current	Change	Rate (%)	change	Rate (\$/N)	Chg (NGN)				
15	9-Feb-23	1.54	▬	OPEC Quota	1.742 mbpd	-84,000bpd	10.50	▲	445.00	▬	CBN SMS Window			
43	9-Mar-23	1.83	▬	System liquidity	N1013.06bn	+N156.99bn	10.83	▲	461.70	▼	I&E FX Window			
92	27-Apr-23	2.44	▬	Foreign reserve	\$37.12bn	-\$24.70mn			461.29	▬	NAFEX			
106	11-May-23	2.72	▬	Nig. Crude output	1.267m bpd	+92,000bpd			750.00	▬	Parallel Market			
134	8-Jun-23	3.29	▬	Brent Crude	\$86.28	+\$0.07					▲▲Forwards			
225	7-Sep-23	5.20	▬	FAAC Allocation	N990.18bn	+N88.14bn					1M	479.66	▲	2.49
274	26-Oct-23	5.85	▬								2M	486.25	▲	1.14
288	9-Nov-23	6.02	▬								3M	488.02	▲	1.39
316	7-Dec-23	5.23	▬								6M	505.31	▲	1.36
											1Y	532.40	▲	0.93