

FGN Bond Market

The FGN bond market mostly traded sideways last week, with selling interests on long-tenured maturities offset by positive sentiments on selected maturities. As a result, the average benchmark yield declined by 3bps (basis points) to close at 14.65% week-on-week.

In other news, CBN raised the benchmark interest rate – the monetary policy rate (MPR) by 100 basis points to 16.50% while the report from the National Bureau of Statistics (NBS) shows that Nigeria's GDP grew by 2.25% on a year-on-year basis in the third quarter of 2022, a decline from the 4.03% recorded in the third quarter of 2022.

Nigerian Treasury Bill (NTB)

The treasury bills market was mostly bullish last week, with buying interests seen on most maturities. As a result, the average benchmark plummeted by 2bp to close at 10.97% on a weekly basis.

At the treasury bills auction last week, the DMO sold NGN213.43 billion worth of bills which was the same as what was offered. The rates on the 91-day, 182-day and 364-day bills were allotted at 6.50%, 8.05%, and 14.84%, respectively. Compared to the previous auction, the rate on 91-day and 182-day bills remained unchanged, while the rate on the 364-day bill increased by 85bps. The bid-to-cover ratio across the three papers stood at 0.37x, 0.07x, and 2.47x, accordingly.

FGN Eurobond Market

The Eurobond market closed on a bullish note last week with positive sentiments seen across most maturities. The bullish sentiment is largely attributed to the possibility of a slowdown in the weight of coming rate hikes from US Federal Reserve. As a result, the average benchmark yield declined by 28bps to close at 11.64% on a weekly basis.

Money Market

The system liquidity was bolstered by inflows from FAAC allocation last week, leading to a fall in interbank rates during the mid-week and a decrease in Standing lending facilities transaction towards the end of the week. However, retail FX auction on Friday moderately dampened the liquidity conditions as the rates on Open Buyback (OBB) and Overnight (O/N) transactions surged by 262bps and 275bps to close at 12.25% and 12.63%, respectively.

Foreign Exchange Market

Naira depreciated by 66 kobo against the US dollar last week as the exchange rate settled lower at NGN446.33/\$1 whereas on Friday, naira depreciated by NGN1.33. Nigeria's foreign reserve declined by \$5.11 million on Thursday last week to settle at \$37.181 billion.

On the other hand, Naira appreciated by 10 naira last week at the parallel market as the exchange declined to NGN775/\$1 on Friday, from NGN785/\$1 a week ago.

Oil Market

Reuters: Oil futures fell more than \$2 a barrel on Monday, with WTI hitting an 11-month low, as protests in top importer China over strict COVID-19 curbs fuelled demand concerns. Both benchmarks, which hit 10-month lows last week, have posted three consecutive weekly declines. Brent ended the latest week down 4.6%, while WTI fell 4.7%.

The global oil market is signaling a potential shift, as traders and analysts worry about reduced crude demand and an oversupplied market in the coming months. After months of strength, crude futures are flirting with lows not seen all year as top oil consumer China enters additional COVID-19 lockdowns while central banks hike interest rates to combat inflation.

Front-month global oil prices in the last week have traded weaker than future-dated contracts, while prices for physical crude grades throughout the world have declined, market participants said.

Meanwhile, OPEC+ - the grouping of the Organization of the Petroleum Exporting Countries (OPEC) and allied producers including Russia - is set to meet to consider output levels on Dec. 4.

As of 8:30 am, this morning, the Brent oil declined by \$2.36 to trade at \$81.27 per barrel.

What to know

- Kenya's foreign-exchange reserves dropped to the lowest in seven years, breaching the critical level of four months' import cover. Reserves currently stand at \$7.04 billion, equivalent to 3.94 months of imports. It's the first time Kenya's reserves have fallen to that level on a daily basis since October 2015.
- Ghana will ask holders of its international bonds to accept losses of as much as 30% on the principal and forgo some interest payments as it hammers out a debt plan to qualify for a loan from the International Monetary Fund.

What to expect this week?

The Nigerian debt is expected to extend its bullish streak to this week while Treasury bill auction will take place on Wednesday.

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

FGN Bond market is expected to start the week on a bearish note as COVID cases ticked up in Beijing – dampening oil demand outlook while some cherry picking is expected on some selected maturities due to the dovish note in US Federal Reserve meeting's minutes released last week.

Other Key Indices

Indicators	Current	Change
System liquidity	N359.91bn	-N6.22bn
Foreign reserve	\$37.181bn	-\$5.11mn
Nig. Crude output	1.014mbpd	+78,398bpd
OPEC Quota	1.826m bpd	+26,000bpd
Brent Crude	\$81.27	-\$2.36
FAAC Allocation	N954.09bn	+N151.68bn

Major Business Headlines

NNPC, NIPCO, Lekki Free Zone sign gas agreement: The Nigeria National Petroleum Company Ltd and NIPCO Gas Limited have penned their signature [on a gas infrastructure agreement with](#) the Lekki Free Trade Zone Development Company. According to the companies, the agreement would strengthen gas supply to industries in the Lekki corridor of Lagos State. Speaking at the signing, the Managing Director, NNPC Gas Marketing Limited, Mr Justin Ezeala, stated the event was a milestone in the annals of gas infrastructure development in the country. "We knew the gas business revolves around us and that we could deliver seamlessly to the myriad of industries in the zone.

Lagos shortlists three bidders for 4th Mainland Bridge project: The Lagos State Government, through the Office of Public-Private Partnerships, PPP, weekend, said it has shortlisted three bidders for the construction of the \$2.5 billion Fourth Mainland Bridge project in Lagos. The Special Adviser to the Governor on PPP, Mr Ope George, while briefing newsmen in Ikeja, stated that the three bidders shortlisted for the Request For Proposal, RFP Stage II are: [Mota-Engil \(Nigeria and Africa\) CCCC and CRBC consort; CGGC-CGC](#) Joint Venture and CCECC and CRCCIG Consortium. He said: "On completion, the bridge is expected to become the second longest in Africa, featuring three toll plazas, nine interchanges, a 4.5 kilometre Lagoon Bridge and an eco-friendly environment



MARKET DAILY UPDATES – 18th November 2022

Fixed Income

FGN Bond

Description	TTM (Yrs)	Yields (%)	W-on-w (%)	Change (%)
^14.20 14-MAR-2024	1.30	14.35	▼ -0.81	▢ 0.00
^13.53 23-MAR-2025	2.32	14.30	▲ 0.10	▢ 0.00
^12.50 22-JAN-2026	3.16	14.28	▲ 0.01	▢ 0.00
^16.2884 17-MAR-2027	4.31	14.58	▢ 0.00	▢ 0.00
^13.98 23-FEB-2028	5.25	14.38	▢ 0.00	▢ 0.00
^14.55 26-APR-2029	6.42	14.45	▼ -0.15	▢ 0.00
^12.1493 18-JUL-2034	11.64	14.60	▲ 0.08	▢ 0.00
^12.50 27-MAR-2035	12.34	14.75	▢ 0.00	▼ -0.04
^12.40 18-MAR-2036	13.31	14.74	▲ 0.07	▢ 0.00
^16.2499 18-APR-2037	14.40	16.02	▲ 0.06	▼ -0.34
^13.00 21-JAN-2042	19.16	14.69	▲ 0.09	▢ 0.00
^14.80 26-APR-2049	26.42	14.58	▲ 0.05	▲ 0.18
^12.98 27-MAR-2050	27.34	14.72	▲ 0.07	▢ 0.00

FGN Eurobond

Description	TTM (Yrs)	Yields (%)	W-on-w (%)	Change (%)
6.375 JUL 12, 2023	0.63	8.96	▲ 0.05	▲ 0.03
7.625 21-NOV-2025	2.99	11.08	▼ -0.09	▼ -0.03
6.50 NOV 28, 2027	5.01	11.08	▼ -0.09	▼ -0.03
6.125 SEP 28, 2028	5.84	11.76	▼ -0.30	▼ -0.05
8.375 MAR 24, 2029	6.33	12.31	▼ -0.23	▲ 0.01
7.143 FEB 23, 2030	7.24	11.94	▼ -0.37	▼ -0.01
8.747 JAN 21, 2031	8.15	12.02	▼ -0.34	▼ -0.02
7.875 16-FEB-2032	9.22	12.10	▼ -0.21	▼ -0.04
7.375 SEP 28, 2033	10.84	11.83	▼ -0.30	▲ 0.02
7.696 FEB 23, 2038	15.24	12.09	▼ -0.32	▢ 0.00
7.625 NOV 28, 2047	25.01	11.80	▼ -0.52	▼ -0.03
9.248 JAN 21, 2049	26.15	12.23	▼ -0.45	▼ -0.05
8.25 SEP 28, 2051	28.84	12.15	▼ -0.43	▼ -0.04

Nigerian Treasury Bills

DTM	Maturity	Yield (%)	W-on-w (%)	Change (%)
62	26-Jan-23	11.81	▼ -0.03	▢ 0.00
76	9-Feb-23	8.47	▼ -0.01	▢ 0.00
104	9-Mar-23	9.19	▼ -0.02	▢ 0.00
153	27-Apr-23	8.33	▼ -0.01	▢ 0.00
167	11-May-23	8.36	▼ -0.01	▢ 0.00
195	8-Jun-23	11.72	▼ -0.03	▢ 0.00
286	7-Sep-23	14.47	▼ -0.04	▼ -0.01
335	26-Oct-23	15.41	▼ -0.05	▼ -0.01

Commodities

Commodities	Price	Change (%)
Brent	81.28	▼ -2.35
Bonny	84.35	▲ 0.32
Natural Gas	6.75	▼ -3.56
Gold	1,749.70	▼ -0.24
Silver	21.22	▼ -1.03
Copper	3.55	▼ -2.15
Cocoa	2,484	▲ 0.24
Coffee	165.05	-
Wheat	797.00	▼ -1.76

Money Market

//	Amount (NGN'bn)	Chg (NGN'bn)
System Liquidity	359.91	▼ -6.22

Interbank	Rate (%)	change
OPR	12.25	▲ 262
O/N	12.63	▲ 275

Repo	Rate (%)	change
Call	8.25	▼ -1.00
1M	8.00	▼ -2.00
3M	8.00	▼ -2.00
6M	8.00	▼ -2.00

Currencies/Index	Rate (%)	Chg (%)
US Dollar Index	106.34	▲ 0.36
EUR/USD	1.035	▼ -0.394
GBP/USD	1.206	▼ -0.31

Foreign Exchange

Index	Amount (\$'bn)	Chg (\$'mn)
Foreign Reserve	37.181	▼ -5.11

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	▢ 0.00
I&E FX Window	446.33	▲ 1.33
NAFEX	444.50	▼ -0.05
Parallel Market	775.00	▢ 0.00

^^Forwards	Rate (\$/N)	Chg (NGN)
1M	451.47	▼ -0.66
2M	455.00	▼ -1.00
3M	458.71	▼ -1.01
6M	476.24	▼ -0.97
1Y	503.37	▼ -1.29

Equities & Global Market

Indices	Points	Change (%)
NGX YTD	11.33%	
NGX All Share	47,554.34	▲ 2.04
NGX Banking	399.15	▲ 0.25
NGX 30	1,714.39	▲ 1.92
NGX Consumer Good	551.70	▼ -2.37
S&P 500	4,026.12	▼ -0.03
FTSE 100	7,486.67	▲ 0.27
Euro STOXX 50	3,962.41	▲ 0.01
US 10-year	3.654	▼ -0.048
UK 10-year	3.111	▼ -0.007
German 10-year	1.97	▢ 0.000

Source: FMDQ, CBN, Reuters, CNBC

***Global Market & Commodities' quotes are as of 7:00 (GMT+1) – 28th November, 2022

**Bonny oil price is as of 25th November 2022