

FGN Bond Market

The FGN Bond Market recorded mixed reaction yesterday with aggressive sell off on "July 2034" maturity pushing the market to the bearish region. The average benchmark yield increased fractionally by 1bp (basis point) to close at 14.66%.

Nigerian Treasury Bill (NTB)

The treasury bills market closed on a bullish note with buying interests seen across board. The average benchmark yield declined by 1bp to 10.96%.

FGN Eurobond Market

The FGN Eurobond market registered a bearish run yesterday with selling interests seen across board as two U.S. Federal Reserve officials yesterday reiterated their conviction that monetary policy must be tightened further and kept at restrictive levels for some time yet in order to get inflation under control. The average benchmark yield advanced by 19bps to 11.83%.

Money Market

In the interbank space, the system liquidity remained low as banks seek NGN75.79 billion in Standing Lending Facility (SLF) to bolster their liquidity. As a result, the rates on Open Buy back (OBB) and Overnight (O/N) soared by 150bps each to close at 13.75% and 14.13% respectively.

Foreign Exchange Market

At the Investors and Exporters (I&E) window, the value of naira appreciated against the U.S. dollar by NGN1.63 to settle at NGN444.70/\$1. The Nigeria's foreign reserve stood at \$37.181 billion as of Thursday, last week.

Oil Market

- *Reuters*: Oil rebounded this morning after falling to more than 11-month lows in the previous session, as investors weighed a potential output adjustment from the major oil producers, who are set to have a key meeting this week.
- Toshitaka Tazawa, an analyst at Fujitomi Securities Co Ltd said that bearish moods toward oil prices are spreading in Asia due to concerns about a decline in China's demand while the rare protests over the weekend also raised fears over the impact on Chinese economy.
- Investors also remained cautious ahead of a key meeting of the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, known as OPEC+, on Dec. 4. Analysts at Eurasia Group suggested in a note yesterday that weakened demand out of China could spur OPEC+ to cut output.
- As of 6.30am this morning, Brent crude futures gained \$1.97 to trade at \$85.16 per barrel.

What to expect today?

The Nigerian debt market is expected to follow yesterday's trend while interbank rates are expected to stay elevated in the absence of any significant inflow.

FGN Eurobond market is expected to close bearish amidst risk off sentiments due to the social unrest flaring up across China.

FGN Bond

Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	14-Mar-24	1.29	14.35	0.00
^13.53 23-MAR-2025	23-Mar-25	2.32	14.30	0.00
^12.50 22-JAN-2026	22-Jan-26	3.15	14.27	-0.01
^16.2884 17-MAR-2027	17-Mar-27	4.30	14.58	0.00
^13.98 23-FEB-2028	23-Feb-28	5.24	14.38	0.00
^14.55 26-APR-2029	26-Apr-29	6.41	14.45	0.00
^12.1493 18-JUL-2034	18-Jul-34	11.64	14.75	0.15
^12.50 27-MAR-2035	27-Mar-35	12.33	14.75	0.00
^12.40 18-MAR-2036	18-Mar-36	13.30	14.74	0.00
^16.2499 18-APR-2037	18-Apr-37	14.39	16.07	0.05
^13.00 21-JAN-2042	21-Jan-42	19.15	14.69	0.00
^14.80 26-APR-2049	26-Apr-49	26.41	14.55	-0.03
^12.98 27-MAR-2050	27-Mar-50	27.33	14.72	0.00

FGN Eurobond

Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12-Jul-23	9.30	0.34
7.625 21-NOV-2025	21-Nov-25	11.18	0.10
6.50 NOV 28, 2027	28-Nov-27	11.18	0.10
6.125 SEP 28, 2028	28-Sep-28	11.97	0.21
8.375 MAR 24, 2029	24-Mar-29	12.50	0.19
7.143 FEB 23, 2030	23-Feb-30	12.15	0.21
8.747 JAN 21, 2031	21-Jan-31	12.22	0.20
7.875 16-FEB-2032	16-Feb-32	12.29	0.19
7.375 SEP 28, 2033	28-Sep-33	12.01	0.18
7.696 FEB 23, 2038	23-Feb-38	12.25	0.16
7.625 NOV 28, 2047	28-Nov-47	11.99	0.19
9.248 JAN 21, 2049	21-Jan-49	12.41	0.18
8.25 SEP 28, 2051	28-Sep-51	12.36	0.21

Major Business Headlines

- **FG borrows N24tn from CBN amid fiscal risks:** The Federal Government has borrowed N6.31tn from the Central Bank of Nigeria through Ways and Means Advances in 10 months. [This has pushed the Federal Government's borrowing from the CBN from N17.46tn in December 2021 to N23.77tn in October 2022.](#) The N23.77tn owed the apex bank by the Federal Government is not part of the country's total public debt stock, which stood at N42.84tn as of June 2022, according to the Debt Management Office.
- **CBN Outlines Policy Initiatives to Accelerate 95% Financial Inclusion Target:** The Central Bank of Nigeria (CBN) has disclosed that it is assiduously working towards achieving its [95 per cent financial inclusion target by 2024](#), with the recent launch of its Revised National Financial Inclusion Strategy (NFIS 3.0) and a number of other important policy frameworks. It listed the other initiatives to help ensure 95 per cent of Nigerians have access to financial services to include the National Strategy for Leveraging Agent Networks for Women's Financial Inclusion; National Fintech Strategy; Nigeria Payments System Vision 2025 (PSV 2025); Nigerian Financial Services Maps (NFSMaps); the CBN Regulatory Sandbox as well as the Central Bank of Nigeria – Central Bank of Egypt Fintech Bridge.

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
59	26-Jan-23	11.80	-0.01
73	9-Feb-23	8.46	-0.01
101	9-Mar-23	9.18	-0.01
150	27-Apr-23	8.33	-0.01
164	11-May-23	8.35	-0.01
192	8-Jun-23	11.71	-0.01
283	7-Sep-23	14.46	-0.02
332	26-Oct-23	15.39	-0.02

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.742 m bpd	-84,000bpd
System liquidity	107.67bn	+N252.24bn
Foreign reserve	\$37.181 bn	\$0.00mn
Nig. Crude output	1.014m bpd	+76,234bpd
Brent Crude	\$85.16	+\$1.97
FAAC Allocation	N736.782bn	-N23.46bn

Interbank

Rate (%)	Change (%)	
OPR	13.75	1.50
O/N	14.13	1.50
REPO		
Call	9.25	1.00
1M	10.00	2.00
3M	10.00	2.00
6M	10.00	2.00

Spot

Rate (\$/N)	Chg (NGN)	
CBN SMIS Window	445.00	0.00
I&E FX Window	444.70	-1.63
NAFEX	444.67	0.04
Parallel Market	775.00	0.00
AAForwards	Rate (\$/N)	Chg (NGN)
1M	451.47	0.00
2M	455.00	0.00
3M	458.71	0.00
6M	476.24	0.00
1Y	503.37	0.00