

FGN Bond Market

The FGN Bond extended its bullish yesterday with trading activities seen on selected maturities, mostly mid- and long-tenured maturities. As a result, the average benchmark yield declined by 9 basis points (bps) to close at 14.52%.

Nigerian Treasury Bill (NTB)

The treasury bill market closed relatively quiet yesterday, with few buying interests seen on long-tenured maturities. The average benchmark yield declined by 57bp to close at 10.38%.

FGN Eurobond Market

FGN Bond market closed on a bullish note yesterday, riding on dovish tone and heightened risk appetite as the market recorded positive sentiment across maturities. As a result, the average benchmark yield plummeted by 16bps to close at 11.49%.

Money Market

At the interbank space yesterday, System liquidity was slightly elevated as interbank rates fell further yesterday. The rates on Open Buyback (OBB) and Overnight (O/N) transactions declined by 75bps and 125bps to close at 9.50% and 9.63%, respectively

Foreign Exchange Market

Naira depreciated against the US dollar at the I&E window yesterday as the exchange rate declined by 53 kobo to close at NGN445.83/\$1. The Nigeria's foreign reserve, on other hand, dropped by \$4.95 million on Wednesday, this week, as the reserve balance settled lower at \$37.112 billion

Oil Market

Reuters: Oil prices inched higher in Asian trade on Friday on hopes for further relaxation of COVID curbs in China, which could help demand recover in world's second biggest economy, though a firmer U.S. dollar capped gains.

Brent crude futures were up 20 cents or 0.23% at \$87.08 per barrel by 0349 GMT, after earlier falling to \$86.59. U.S. West Texas Intermediate (WTI) crude futures gained 6 cents or 0.07% to \$81.28 per barrel, after slipping to \$80.88 earlier in the session.

China is set to announce an easing of its COVID-19 quarantine protocols in coming days and a reduction in mass testing, sources told Reuters, which would be a major shift in policy following the widespread protests and public anger over the world's toughest curbs.

Meanwhile, European Union governments tentatively agreed on a \$60 a barrel price cap on Russian seaborne oil with an adjustment mechanism to keep the cap at 5% below the market price, according to diplomats and a document seen by Reuters. All EU governments must approve the agreement in a written procedure by Friday. Poland, which had pushed for the cap to be as low as possible, had not confirmed that it would support the deal, an EU diplomat said

As of 8:00am this morning, Brent oil rose by 18 cents to trade \$87.06 per barrel

What to expect today?

The Nigerian Bond market is expected to sustain its bullish sentiment with buying interests on selected maturities, while interbank rates are expected to remain relatively stable on the back of improved system liquidity.

The Eurobond market is expected to be highly influenced by the US unemployment data that is set to be released today as Nonfarm payrolls is forecasted to increase by 200,000 in November.

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	1.28	13.86	▼ -0.43
^13.53 23-MAR-2025	2.31	14.08	▬ 0.00
^12.50 22-JAN-2026	3.14	14.25	▬ 0.00
^16.2884 17-MAR-2027	4.29	14.03	▼ -0.22
^13.98 23-FEB-2028	5.23	14.09	▼ -0.21
^14.55 26-APR-2029	6.40	14.45	▬ 0.00
^12.1493 18-JUL-2034	11.63	14.75	▬ 0.00
^12.50 27-MAR-2035	12.32	14.75	▬ 0.00
^12.40 18-MAR-2036	13.29	14.51	▼ -0.24
^16.2499 18-APR-2037	14.38	16.02	▼ -0.10
^13.00 21-JAN-2042	19.14	14.73	▬ 0.00
^14.80 26-APR-2049	26.40	14.55	▬ 0.00
^12.98 27-MAR-2050	27.32	14.72	▬ 0.00

FGN Eurobond			
Description	TTM (Yrs)	Yield (%)	Change (%)
6.375 JUL 12, 2023	0.61	8.92	▼ -0.23
7.625 21-NOV-2025	2.97	10.75	▼ -0.16
6.50 NOV 28, 2027	4.99	10.75	▼ -0.16
6.125 SEP 28, 2028	5.83	11.54	▼ -0.19
8.375 MAR 24, 2029	6.31	12.15	▼ -0.16
7.143 FEB 23, 2030	7.23	11.80	▼ -0.17
8.747 JAN 21, 2031	8.14	11.88	▼ -0.16
7.875 16-FEB-2032	9.21	12.01	▼ -0.15
7.375 SEP 28, 2033	10.83	11.73	▼ -0.14
7.696 FEB 23, 2038	15.23	11.94	▼ -0.14
7.625 NOV 28, 2047	24.99	11.71	▼ -0.10
9.248 JAN 21, 2049	26.14	12.14	▼ -0.12
8.25 SEP 28, 2051	28.83	12.10	▼ -0.14

Major Business Headlines

- Fuel queues grow longer after FG sufficiency claim:** The queues for Premium Motor Spirit, popularly called petrol, grew longer on Thursday after the Federal Government's claims that there was enough PMS in Nigeria that would last for 34 days. [On Wednesday, the government broke its several weeks of silence](#) on the lingering fuel scarcity nationwide, as it claimed that it had enough product to keep the country wet for over a month. Despite its claims, the queues for petrol at filling stations in Abuja, Lagos, Nasarawa, Niger and other states grew longer on Thursday, as thousands of motorists thronged the few outlets that dispensed the commodity.
- AMCON liabilities hit N5.7tn – CBN report:** Asset Management Corporation of Nigeria's liabilities stood [at N5.72tn as of the end of the first half of 2022](#). The Financial Markets Department of the Central Bank of Nigeria disclosed this in its 'Half-year activity report 2022' released on Thursday. It stated that, "The carrying value of AMCON's liabilities stood at N5.72tn at end-June 2022. Of this amount, AMCON notes, with an outstanding balance of N3.86tn, and the loan (Debenture) of N500bn accounted for 76.27 per cent of the liabilities. The notes are due to mature on December 27, 2023 and the N500bn loan is due for redemption on December 30, 2022."

Nigerian Treasury Bills			
DTM	Maturity	Yield (%)	Change (%)
56	26-Jan-23	11.78	▬ 0.00
70	9-Feb-23	8.45	▬ 0.00
98	9-Mar-23	9.18	▬ 0.00
147	27-Apr-23	8.32	▬ 0.00
161	11-May-23	8.35	▬ 0.00
189	8-Jun-23	11.69	▬ 0.00
280	7-Sep-23	14.44	▼ -0.01
329	26-Oct-23	15.37	▼ -0.01
343	9-Nov-23	14.81	▬ 0.00
357	23-Nov-23	14.13	▬ 0.00

Other Key Indices		
Indicators	Current	Change
OPEC Quota	1.742 m bpd	-84,000bpd
System liquidity	N261.05bn	+73.42bn
Foreign reserve	\$37.112bn	-\$4.95mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$87.13	\$0.32
FAAC Allocation	N760.24bn	-N151.68bn

Interbank	Rate (%)	change
OPR	9.50	▲ 75
O/N	9.63	▲ 125
Repo		
Call	9.25	▬ 0.00
1M	10.00	▬ 0.00
3M	10.00	▬ 0.00
6M	10.00	▬ 0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	▬ 0.00
I&E FX Window	445.83	▲ 0.53
NAFEX	444.43	▼ -0.19
Parallel Market	750.00	▼ -5.00
^^Forwards		
	Rate (\$/N)	Chg (NGN)
1M	452.75	▬ 0.00
2M	459.20	▬ 0.00
3M	463.22	▬ 0.00
6M	486.70	▬ 0.00
1Y	507.22	▬ 0.00