

FGN Bond Market

Last week, the FGN Bonds market closed bullish with the average benchmark yield declining by 4bps from 14.34% to 14.30% week on week.

Nigerian Treasury Bill (NTB)

Last week, the Treasury Bills market closed bullish, week-on-week the average benchmark yield declined by 2bps from 6.97% to 6.95%.

During the week, there was an NTB auction. The DMO offered and sold ₦180.45bn, which attracted a subscription of ₦811.41bn. The stop rates for the 91-day, 182-day, and 364-day papers were recorded at 2.99%, 4.99%, and 7.99% respectively.

FGN Eurobond Market

Last week, the Eurobond market closed bullish. The average yield declined by 56bps from 12.63% to 12.07%. The buying interest is due to market sentiments as regards to the US debt ceiling, and the strengthening of the dollar.

Money Market

The opening balances of banks decreased by N198bn to N258bn on Friday last week, as a result the Open Buy Back rate (OBB) increased by 150bps from 11.25% to 13.33% and the Overnight rate (O/N) increased by 175bps from 11.50% to 13.25%.

Foreign Exchange Market

At the I&E FX Window, the value of the Naira depreciated against the US dollar by 84 kobo on Friday last week to settle at NGN464.51/\$. In the parallel market, the rate depreciated by ₦2.30 to sell at NGN766.80/\$1. Nigeria's foreign reserve was at \$ 35.189bn as of 22nd May 2023 after a decline of \$9 million.

Oil Market

Reuters: Oil prices edged higher in choppy trading on Monday, as markets weighed a tentative U.S. debt ceiling deal that would avert the world's top oil consumer default against further Federal Reserve interest rate hikes that could curb energy demand.

Brent crude futures settled up 12 cents, or 0.2%, to \$77.07 a barrel, while U.S. West Texas Intermediate crude was up 25 cents, or 0.3%, at \$72.92 a barrel. "The euphoria of the debt deal is wearing off as concern mounts for another rate hike by the Fed in June," brokerage Liquidity Energy LLC wrote in a note. "Higher U.S. rates are a headwind for crude oil demand," IG Sydney-based analyst Tony Sycamore said.

The dollar also nudged down on Monday as the debt ceiling deal lifted risk appetite in world markets and dented the greenback's safe-haven appeal. A lower greenback helps demand for oil, which is priced in dollars.

What to expect today?

In the Eurobond market, we expect the market to continue its bullish trend due to the strengthening of the dollar.

We expect the Treasury bill market to continue its bullish trend due to strong liquidity in the system.

We expect the Bond market to continue its trend and be quiet.

FGN Bond						
Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)	WoW % Change	
^13.53 23-MAR-2025	23 Mar 2025	1.83	11.48	▼ -0.03	▼ -0.17	
^12.50 22-JAN-2026	22 Jan 2026	2.66	12.30	▬ 0.00	▼ -1.85	
^16.2884 17-MAR-2027	17 Mar 2027	3.81	12.55	▼ -0.02	▼ -0.84	
^13.98 23-FEB-2028	23 Feb 2028	4.75	13.90	▬ 0.00	▼ -0.11	
^14.55 26-APR-2029	26 Apr 2029	5.92	14.19	▬ 0.00	▼ -0.02	
^12.50 27-APR-2032	27 Apr 2032	8.92	14.90	▬ 0.00	▲ 0.01	
^12.1493 18-JUL-2034	18 Jul 2034	11.15	14.74	▬ 0.00	▲ 0.02	
^12.50 27-MAR-2035	27 Mar 2035	11.84	14.81	▬ 0.00	▲ 0.01	
^12.40 18-MAR-2036	18 Mar 2036	12.81	14.78	▬ 0.00	▲ 0.50	
^16.2499 18-APR-2037	18 Apr 2037	13.90	15.58	▬ 0.00	▼ -0.01	
^13.00 21-JAN-2042	21 Jan 2042	18.66	15.45	▬ 0.00	▼ -0.62	
^14.80 26-APR-2049	26 Apr 2049	25.92	15.56	▬ 0.00	▼ -0.01	
^12.98 27-MAR-2050	27 Mar 2050	26.84	15.66	▬ 0.00	▼ -0.69	

FGN Eurobond					
Description	Maturity Date	Yield (%)	Change (%)	WoW % Change	
6.375 JUL 12, 2023	12 Jul 2023	13.06	▼ -4.32	▼ -7.77	
7.625 21-NOV-2025	21 Nov 2025	10.35	▲ 0.10	▼ -9.76	
6.50 NOV 28, 2027	28 Nov 2027	10.35	▲ 0.10	▼ -9.76	
6.125 SEP 28, 2028	28 Sep 2028	11.59	▬ 0.00	▼ -5.16	
8.375 MAR 24, 2029	24 Mar 2029	12.16	▬ 0.00	▼ -5.07	
7.143 FEB 23, 2030	23 Feb 2030	12.09	▬ 0.00	▼ -4.88	
8.747 JAN 21, 2031	21 Jan 2031	12.49	▬ 0.00	▼ -3.18	
7.875 16-FEB-2032	16 Feb 2032	12.33	▬ 0.00	▼ -2.99	
7.375 SEP 28, 2033	28 Sep 2033	12.32	▲ 0.16	▼ -2.99	
7.696 FEB 23, 2038	23 Feb 2038	12.61	▲ 0.24	▼ -1.87	
7.625 NOV 28, 2047	28 Nov 2047	12.27	▲ 0.08	▼ -1.68	
9.248 JAN 21, 2049	21 Jan 2049	12.65	▲ 0.08	▼ -1.40	
8.25 SEP 28, 2051	28 Sep 2051	12.65	▬ 0.00	▼ -1.56	

Major Business Headlines

- **IPMAN opposes Tinubu subsidy removal plan, queues return:** The Independent Petroleum Marketers Association of Nigeria has opposed [the plan by President Bola Tinubu to enforce his predecessor's decision to remove fuel subsidy by June ending.](#)
- **FG borrowed N6tn from CBN in 2022 – Report:** [The Federal Government borrowed N6.07tn from the Central Bank of Nigeria through Ways and Means Advances in 2022,](#) according to recent data from the apex bank. This pushed the Federal Government's borrowing from the CBN from N17.46tn in December 2021 to N23.53tn in December 2022.
- **Nigeria to unify exchange rate – President Tinubu:** [In a significant policy shift, Nigeria's newly elected President Bola Ahmed Tinubu has declared his government's decision to unify the exchange rate,](#) replacing the previous multiple exchange rate regime implemented during the administration of former President Buhari by the central bank.

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)	WoW % Change
13	8 Jun 2023	5.51	▼ -0.02	▼ -0.11
104	7 Sep 2023	5.59	▼ -0.02	▼ -0.11
153	26 Oct 2023	6.15	▼ -0.02	▼ -0.12
167	9 Nov 2023	6.17	▼ -0.02	▼ -0.12
195	7 Dec 2023	7.06	▼ -0.02	▼ -0.14
244	25 Jan 2024	7.95	▼ -0.02	▼ -0.15
258	8 Feb 2024	8.22	▼ -0.02	▼ -0.16
286	7 Mar 2024	7.41	▼ -0.02	▼ -1.36
321	11 Apr 2024	8.49	▼ -0.02	▼ -0.16

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.830mbpd	+31,000bpd
System liquidity	N257.82bn	-N197.56bn
Foreign reserve	\$35.19bn	-9.00mn
Nig. Crude output	0.999mbpd	-0.269mbpd
Brent Crude	\$76.95	+\$0.69
FAAC Allocation	₦655.932bn	₦58.697bn

Interbank	Rate (%)	change
OPR	12.75	▲ 1.50
O/N	13.25	▲ 1.75
Repo		
Call	4.33	▲ 1.50
1M	9.00	▬ 0.00
3M	9.00	▬ 0.00
6M	9.00	▬ 0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	462.00	▬ 0.00
I&E FX Window	464.51	▲ 0.84
NAFEX	465.00	▼ -0.13
Parallel Market	766.80	▲ 2.30
^^Forwards	Rate (\$/N)	Chg (NGN)
1M	470.76	▼ -7.26
2M	478.91	▼ -16.75
3M	485.78	▼ -23.12
6M	506.61	▼ -31.51
1Y	538.72	▼ -30.12