

FGN Eurobond Market

The FGN Eurobond market closed bullish yesterday, with buying interests seen across board as President Joe Biden and House Speaker Kevin McCarthy lifts the \$31.4 trillion U.S. debt ceiling and achieve new federal spending cuts. The average benchmark yield dipped by 17bps (basis points) to 11.50%.

FGN Bond Market

The FGN bond market saw mixed reactions yesterday, with trading activities concentrated on short and long-term maturities. Overall, the average benchmark yield declined by 3bps to close at 14.27%.

Nigerian Treasury Bill (NTB)

The T-bill market recorded a bullish session yesterday, with buying interests seen at the long end of the curve. Thus, the average benchmark yield plummeted by 10bps to 6.85%.

Money Market

Interbank rates remain stable on the back of moderated system liquidity. As a result, Open Buyback (OBB) and Overnight (O/N) transactions remained unchanged at 12.75% and 13.25% respectively.

Foreign Exchange Market

The value of Naira against the US dollar at the I&E window yesterday was stable as the exchange rate remained at NGN464.51/\$1. On the other hand, Nigeria's foreign reserve declined by \$24.01 million to settle at \$ 35.158 billion as of Thursday last week.

Oil Market

- Reuters: Oil prices extended losses early this morning as worries of slowing demand from top oil importer China after the release of weaker-than-expected economic data outweighed some positive progress on the U.S. debt ceiling bill.
- Brent crude futures for August delivery fell 19 cents to \$73.35 a barrel by 6.30am this morning, while U.S. West Texas Intermediate crude (WTI) slipped 23 cents to \$69.23 a barrel, with earlier gains reversed after China manufacturing data was released.
- Top oil exporter Saudi Arabia may further slash the official selling prices (OSPs) for all crude grades to Asia in July, a Reuters poll showed, despite the looming OPEC+ meeting that could leave the door open to further output reduction. State oil giant Saudi Aramco may cut the price for its flagship Arab Light crude by about \$1 a barrel in July, according to seven respondents surveyed by Reuters. That would set the July Arab Light price at about \$1.55 a barrel over the Oman/Dubai average, the lowest since November 2021.
- The Organization of Petroleum Exporting Countries and its allies, or OPEC+, are set to meet on June 3-4 to discuss production targets. Just two months ago, the group announced an additional output cut of 1.16 million barrels per day starting from May. The respondents that Reuters surveyed did not expect OPEC+ to further trim production even though Saudi's energy minister issued a warning against short-sellers.

What to expect today?

We expect the Nigerian debt market to sustain yesterday's trend while the interbank rates are expected to settle higher in the absence of any significant inflow.

We expect the FGN Eurobond market to close bullish as the U.S. debt ceiling talks advances to the full House of Representatives for debate and an expected vote on passage today.

FGN Bond

Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
Δ13.53 23-MAR-2025	23 Mar 2025	1.81	11.47	▼ -0.01
Δ12.50 22-JAN-2026	22 Jan 2026	2.65	12.30	▬ 0.00
Δ16.2884 17-MAR-2027	17 Mar 2027	3.80	12.54	▼ -0.01
Δ13.98 23-FEB-2028	23 Feb 2028	4.74	13.71	▼ -0.19
Δ14.55 26-APR-2029	26 Apr 2029	5.91	14.30	▲ 0.11
Δ12.50 27-APR-2032	27 Apr 2032	8.91	14.90	▬ 0.00
Δ12.1493 18-JUL-2034	18 Jul 2034	11.13	14.74	▬ 0.00
Δ12.50 27-MAR-2035	27 Mar 2035	11.83	14.81	▬ 0.00
Δ12.40 18-MAR-2036	18 Mar 2036	12.80	14.78	▬ 0.00
Δ16.2499 18-APR-2037	18 Apr 2037	13.89	15.40	▼ -0.18
Δ13.00 21-JAN-2042	21 Jan 2042	18.65	15.50	▲ 0.05
Δ14.80 26-APR-2049	26 Apr 2049	25.91	15.45	▼ -0.11
Δ12.98 27-MAR-2050	27 Mar 2050	26.83	15.55	▼ -0.11

FGN Eurobond

Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12 Jul 2023	11.81	▼ -1.25
7.625 21-NOV-2025	21 Nov 2025	9.69	▼ -0.66
6.50 NOV 28, 2027	28 Nov 2027	9.69	▼ -0.66
6.125 SEP 28, 2028	28 Sep 2028	10.97	▼ -0.62
8.375 MAR 24, 2029	24 Mar 2029	11.48	▼ -0.68
7.143 FEB 23, 2030	23 Feb 2030	11.62	▼ -0.47
8.747 JAN 21, 2031	21 Jan 2031	12.02	▼ -0.47
7.875 16-FEB-2032	16 Feb 2032	11.80	▼ -0.53
7.375 SEP 28, 2033	28 Sep 2033	11.80	▼ -0.52
7.696 FEB 23, 2038	23 Feb 2038	12.20	▼ -0.41
7.625 NOV 28, 2047	28 Nov 2047	11.89	▼ -0.38
9.248 JAN 21, 2049	21 Jan 2049	12.27	▼ -0.38
8.25 SEP 28, 2051	28 Sep 2051	12.26	▼ -0.39

Major Business Headlines

- Nigeria spends N11. 35tr on refinery rehabilitation, N13.7tr on subsidy:** A report of the Ad-hoc Committee on the State of Refineries in the Country set up by the House of Representatives has revealed that [the nation spent about N11. 35 trillion on the rehabilitation of the three refineries](#) from 2010 till date. Group Chief Executive Officer, Nigerian National Petroleum Company Limited (NNPCL), Mele Kyari, yesterday said the federal government owes the company N2.8 trillion in subsidy payment deficit.
- Subsidy: Fuel sells N600/litre, queues worsen as filling stations shut:** Less than 24 hours after President Bola Tinubu declared an end to fuel subsidy, [the pump price of Premium Motor Spirit commonly known as petrol has skyrocketed to N600 per litre from N195/l](#) in many parts of the country. The development equally triggered a 100 per cent hike in transport fares, while long queues resurfaced at fuel stations across Lagos, Abuja, Ilorin, Benin, Asaba, Port Harcourt, Kano, Makurdi and other major cities and urban areas.
- Tinubu inherits over N16tn uncompleted projects:** The new President of Nigeria, Bola Tinubu, has [officially inherited over N16.29tn uncompleted projects from his predecessor](#), Muhammadu Buhari, according to findings by The PUNCH. The projects were identified through the national monitoring and evaluation platform, EYEMARK, which was launched by Buhari in December last year.

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
9	8 Jun 2023	5.51	▬ 0.00
100	7 Sep 2023	5.58	▬ 0.00
149	26 Oct 2023	6.14	▬ 0.00
163	9 Nov 2023	6.17	▬ 0.00
191	7 Dec 2023	7.05	▼ -0.01
240	25 Jan 2024	7.94	▼ -0.01
254	8 Feb 2024	8.21	▼ -0.01
282	7 Mar 2024	7.23	▼ -0.17
317	11 Apr 2024	7.81	▼ -0.68

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.830mbpd	+31,000bpd
System liquidity	N208.5bn	-N49.31bn
Foreign reserve	\$35.158bn	-\$24.01mn
Nig. Crude output	1.27m bpd	-120,000bpd
Brent Crude	\$73.35	-\$0.19
FAAC Allocation	N655.932bn	-N58.697bn

Interbank	Rate (%)	Change (%)
OPR	12.75	▬ 0.00
O/N	13.25	▬ 0.00
REPO		
Call	4.33	▬ 0.00
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	464.50	▬ 0.00
NAFEX	465.13	▲ 0.03
Parallel Market	763.00	▼ -1.17
AAForwards		
Rate (\$/N) Chg (NGN)		
1M	481.80	▲ 11.04
2M	501.67	▲ 22.76
3M	516.22	▲ 30.44
6M	544.61	▲ 38.00
1Y	570.74	▲ 32.02