

Fixed Income and Money Market

FGN Bond Market

The FGN bond market closed bearish yesterday with selling interests seen on selected maturities. The average benchmark yield remained increased by 11bps (basis points) to 12.43%.

Nigerian Treasury Bill (NTB)

The treasury bills market registered a quiet session yesterday. The average benchmark yield remained unchanged at 7.69%.

FGN Eurobond Market

FGN Eurobond market recorded a bearish session yesterday with interests seen on mid-term and long-term instruments. The average benchmark yield rose by 8bps to 12.36%.

Money Market

In the absence of any significant inflow yesterday, the system liquidity weakened as the impact of FAAC allocation evacuate, causing the interbank rates to rise. Thus, the rates on Open Buy back (OBB) and Overnight (O/N) transactions increased by 433bps and 450bps to 14.33% and 15.00% respectively.

Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira depreciated by 23kobo against the US dollar as the exchange rate closed higher at NGN430.23/\$1. Nigeria's foreign reserve declined by \$125.54million to settle at \$39.094 billion on Monday this week as CBN continues to intervene in the forex market.

Oil Market

- *Reuters*: Oil prices fell about 1% in early trade this morning before paring some losses, ahead of OPEC+ producers meeting on fears of a slowdown in global growth hitting fuel demand and a firmer dollar. As of 8.15am this morning, Brent Crude futures slipped by 68 cents to trade at \$99.86 per barrel.
- The G7 group of leading industrialized nations continues to explore ways of curbing Russia's huge revenues from oil, including by considering a ban on all services enabling transportation of Russian oil unless said oil has a price cap, the G7 foreign ministers said yesterday. Canada, France, Germany, Italy, Japan, the United Kingdom, the U.S., and the High Representative of the European Union, have been mulling for weeks the idea of putting a cap on Russian oil. Those efforts continue, the Foreign Ministers said in a statement on energy security issued by the UK today.
- The American Petroleum Institute (API) reported a surprise build this week for crude oil of 2.165 million barrels, while analysts predicted a draw of 467,000 barrels. The build comes as the Department of Energy released 4.6 million barrels from the Strategic Petroleum Reserves in Week Ending July 29, to 469.9 million barrels. U.S. crude inventories have shed some 63 million barrels since the start of 2021, with a 40,000 barrel loss since the start of 2020, according to API data. In the week prior, the API reported a large draw in crude oil inventories of 4.037 million barrels after analysts had predicted a smaller draw of 1.121 million barrels.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	7.64%	7.65%	+0.01
^16.29 17-MAR-2027	11.74%	11.91%	+0.17
^12.15 18-JUL-2034	12.90%	13.12%	+0.22

Nigerian Treasury Bills Yields

13-OCT-2022 (72 days)	9.16%	9.16%	0.00
26-JAN-2023 (177 days)	7.78%	7.78%	0.00
08-JUN-2023 (310 days)	6.83%	6.82%	-0.01

Nigerian Eurobond Yields

6.375 JUL 12, 2023	8.14%	8.09%	-0.05
6.50 NOV 28, 2027	11.42%	11.42%	0.00
7.875 16-FEB-2032	12.89%	12.97%	+0.08

Forex Spot rates

I&E Market	430.00	430.23	+0.23
SMIS Market	428.88	430.67	+1.79
Parallel Market	715.00	665.00	-0.50

Forex Forward rates

1 month	429.69	430.23	+0.54
6 months	453.80	454.41	+0.61
12 months	479.33	479.69	+0.36

Other Key Indices

Indicators	Current	Change
OBB	14.33%	+433ps
O/N	15.00%	+450bps
System liquidity(<i>op. bal</i>)	N124.48bn	-123.99bn
Foreign reserve	\$39.094bn	-125.54mn
OPEC Quota	1.826m bpd	+26,000bpd
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$99.86	-\$0.68
FAAC Allocation	N802.407bn	+N145.805bn

Major Business Headlines

- **Oil theft - Nigeria gets safe oil transport route:** Oil companies in Nigeria now have a safe transportation route for their crude oil with the inauguration of the new Amukpe-Escravos Pipeline. This follows the vandalism of the 180,000 barrels Trans-Niger pipeline by oil thieves causing oil majors to abandon the facility. The new crude oil transportation choice will decrease incidents of oil theft which has affected the revenues of many oil companies in Nigeria and the country's economy. According to reports, [the new pipeline has a capacity to move 160,000 barrels of crude oil per day and the 67-kilometre-long pipeline is mostly underground](#), which hides it away from the prying eyes of oil thieves and pipeline vandals.
- **Manufacturers slash investment by 56% amid shutdowns:** Nigerian manufacturers have slashed their investments by 56 per cent in seven years, reflecting a sector buffeted on all sides by a cacophony of poor policies and economic headwinds. Between 2016 and 2021, [manufacturers' investments tumbled from N489.44 billion to N217.22 billion](#), according to data collected by the Manufacturers Association of Nigeria but analysed by *The PUNCH*. The Chairman of Qualitek Industries, Engineer Oluoyinka Kufile, who is a major player in aluminium and steel sector, attributed the situation to a combination of poor policies, arguing that Nigeria had yet to understand its true direction in economic diversification.
- **Marginal increase recorded in sesame exports:** Nigeria's [Sesame oil and fractions exports improved marginally to \\$13,877,000 last year](#). According to the International Trade Centre (ITC), it was \$12,933,000 in 2018, \$10,475,000 in 2019, and \$12,109million in 2020. China remains the biggest importer of sesame seeds from Nigeria. According to ITC's – Trade Map, which provides statistics for international business development, China imported sesame oil valued at \$9,499,000 in 2018, \$7,136,000 in 2019; \$11,878,000 in 2020 and \$1,374,000 in 2021. Its exports potential map indicated that the markets with greatest potential for Nigeria's exports of 151550 Sesame oil and fractions are the United States, Germany and Brazil.