

FGN Bond Market

The FGN bond market closed on a bullish note last week, with buying interests concentrated mostly on short-tenured maturities, albeit some sell interests seen on the 2034 and 2042 maturities. As a result, the average benchmark yield declined by 14bps (basis points) to close at 14.51% week-on-week.

Nigerian Treasury Bill (NTB)

The treasury bills market was mostly bullish last week, with buying interests seen on most maturities. The average benchmark rose by 40bp to close at 11.37% on a weekly basis.

FGN Eurobond Market

The Eurobond market was mostly bullish last week with positive sentiments seen across most maturities. However, the market registered some bearish sentiment on Friday as job gains for the month of November came in at 263,000, c. 32% above market expectations of 200,000 jobs. As a result, the average benchmark yield declined by 8bps to close at 11.56% on a weekly basis.

Money Market

The system liquidity was bolstered by inflows from OMO maturities last week, leading to a fall in interbank rates during the mid-week. On Friday, the rates on Open Buyback (OBB) and Overnight (O/N) transactions surged by 188bps and 167bps to close at 11.38% and 13.00%, respectively.

Foreign Exchange Market

Last week, Naira appreciated by 1 naira (w/w) against the US dollar as the exchange rate settled lower at NGN445.33/\$1 whereas on Friday, naira depreciated by 50 kobo. Nigeria's foreign reserve declined by \$4.95 million on Wednesday last week to settle at \$37.112 billion.

On the other hand, Naira appreciated by 40 naira last week at the parallel market as the exchange declined to NGN735/\$1 on Friday, from NGN775/\$1 a week ago.

Oil Market

Reuters: Oil prices edged up earlier today after OPEC+ nations held their output targets steady ahead of a European Union ban and a price cap kicking in on Russian crude.

At the same time, in a positive sign for fuel demand, more Chinese cities eased COVID-19 curbs over the weekend, though the partial easing in policies sowed confusion across the country on Monday. Prices rose as much as 2% earlier in the day, both the Brent and U.S. West Texas Intermediate (WTI) contracts have since pared some gains.

The Organization of the Petroleum Exporting Countries (OPEC) and allies - OPEC+, agreed on Sunday to stick to their October plan to cut output by 2 million barrels per day (bpd) from November through 2023.

Analysts said the OPEC+ decision was expected as major producers wait to see the impact of the EU import ban and Group of Seven (G7) \$60-a-barrel price cap on seaborne Russian oil, with Russia threatening to cut supply to any country adhering to the cap.

As of 8:30 am, this morning, the Brent oil rose by 56 cents to trade at \$86.09 per barrel.

What to know

- The depth of the haircuts Zambia is asking creditors to accept is proving an obstacle in debt restructuring talks, according to the central bank governor of Africa's first pandemic-era sovereign defaulter. The southern African nation needs \$8.4 billion in debt relief to stay on track with its International Monetary Fund program that ends in 2025, the Washington-based lender's analysis shows. That translates into a 49% reduction in the present value of the debt the government is seeking to restructure.
- Kenyan inflation slowed unexpectedly for the first time in nine months, helped by lower gas and food prices. Consumer prices increased by 9.5% from a year earlier.
- Zimbabwean inflation slowed to 255% in November, remaining the highest rate in the world.

What to expect this week?

The Nigerian debt is expected to extend its bullish streak to this week as Treasury bill auction is expected to take place on Wednesday.

The interbank rates are expected to remain elevated, in the absence of any significant inflow this week.

FGN Eurobond market is expected to start the week on a bearish note as higher-than-expected job data might make US Federal Reserve. However, the relaxing of China covid policy is expected to create some bullish sentiment in the market during the week

Other Key Indices

Indicators	Current	Change
System liquidity	N235.85bn	-N25.21bn
Foreign reserve	\$37.112bn	-\$4.95mn
Nig. Crude output	1.014mbpd	+78,398bpd
OPEC Quota	1.826m bpd	+26,000bpd
Brent Crude	\$86.09	+\$0.61
FAAC Allocation	N954.09bn	+N151.68bn

Major Business Headlines

Geregu Power, investors begin talks over acquisition: Geregu Power Plc and Fund for Export Development in Africa have begun talks for the acquisition of a portion of the local power generating company. [The first power company firm to be listed made this disclosure on the Nigerian Stock Exchange. The company's share](#) has gained about 23 per cent since it was listed on the NGX two months ago. Geregu Power was listed at N100 this year and had hit a 52-week high at N130.2. The company has been in the debt capital market to raise funds for expansion and improve working capital.

Nigeria's telecoms subscribers hit 214 million: The number of active telecommunication subscribers hit 214.35 million in October, according to new industry statistics from the Nigerian Communications Commission. This is the highest number of recorded telecoms subscribers in the nation since the total number of subscribers peaked [at 207.58 million in October 2020, months before the SIM-NIN linkage. On what has driven subscriber growth in 2022](#), telcos disclosed that more subscribers were getting new SIMs in a bid to circumvent restrictions on SIMs that had not been linked with their National Identification Numbers.

CBN Offered N7.33trn Treasury Bills in Six Months: The Central Bank of Nigeria (CBN) yesterday said it offered treasury bills amounting to N7.33 trillion in the first half of the year (H1 2022) while total public subscriptions amounted to N10.94 trillion. The bank also stated that [the total outstanding FGN domestic debt stock amounted to N20.91 trillion, representing an increase of N3.28 trillion](#) or 18.59 per cent outstanding as of June 2022, which was higher than the N17.63 trillion recorded in June 2021.



MARKET DAILY UPDATES – 2nd December 2022

Fixed Income

FGN Bond

Description	TTM (Yrs)	Yield (%)	W-on-W (%)	Change (%)
^14.20 14-MAR-2024	1.28	13.86	▼ -0.49	▬ 0.00
^13.53 23-MAR-2025	2.31	14.08	▼ -0.22	▬ 0.00
^12.50 22-JAN-2026	3.14	14.25	▼ -0.03	▬ 0.00
^16.2884 17-MAR-2027	4.29	14.03	▼ -0.55	▬ 0.00
^13.98 23-FEB-2028	5.23	14.09	▼ -0.28	▬ 0.00
^14.55 26-APR-2029	6.40	14.45	▬ 0.00	▬ 0.00
^12.1493 18-JUL-2034	11.63	14.75	▲ 0.15	▬ 0.00
^12.50 27-MAR-2035	12.32	14.75	▬ 0.00	▬ 0.00
^12.40 18-MAR-2036	13.29	14.48	▼ -0.26	▼ -0.03
^16.2499 18-APR-2037	14.38	15.88	▼ -0.14	▼ -0.14
^13.00 21-JAN-2042	19.14	14.73	▲ 0.04	▬ 0.00
9.80 24-JUL-2045	22.64	14.64	▬ 0.00	▬ 0.00
^14.80 26-APR-2049	26.40	14.55	▼ -0.03	▬ 0.00
^12.98 27-MAR-2050	27.32	14.72	▬ 0.00	▬ 0.00

FGN Eurobond

Description	TTM (Yrs)	Yield (%)	W-on-W (%)	Change (%)
6.375 JUL 12, 2023	0.61	9.06	▲ 0.10	▲ 0.14
7.625 21-NOV-2025	2.97	10.81	▼ -0.27	▲ 0.06
6.50 NOV 28, 2027	4.99	10.81	▼ -0.27	▲ 0.06
6.125 SEP 28, 2028	5.82	11.59	▼ -0.17	▲ 0.05
8.375 MAR 24, 2029	6.31	12.19	▼ -0.12	▲ 0.04
7.143 FEB 23, 2030	7.23	11.84	▼ -0.10	▲ 0.04
8.747 JAN 21, 2031	8.14	11.92	▼ -0.10	▲ 0.04
7.875 16-FEB-2032	9.21	12.07	▼ -0.03	▲ 0.06
7.375 SEP 28, 2033	10.82	11.79	▼ -0.04	▲ 0.06
7.696 FEB 23, 2038	15.23	12.00	▼ -0.09	▲ 0.06
7.625 NOV 28, 2047	24.99	11.76	▼ -0.04	▲ 0.05
9.248 JAN 21, 2049	26.14	12.20	▼ -0.03	▲ 0.06
8.25 SEP 28, 2051	28.82	12.18	▲ 0.03	▲ 0.08

Nigerian Treasury Bills

DTM	Maturity	Yield (%)	W-on-W	Change (%)
55	26-Jan-23	11.78	▼ -0.03	▬ 0.00
69	9-Feb-23	8.45	▼ -0.01	▬ 0.00
97	9-Mar-23	9.17	▼ -0.02	▬ 0.00
146	27-Apr-23	8.32	▼ -0.01	▬ 0.00
160	11-May-23	8.34	▼ -0.01	▬ 0.00
188	8-Jun-23	11.69	▼ -0.03	▬ 0.00
279	7-Sep-23	14.43	▼ -0.04	▼ -0.01
328	26-Oct-23	15.36	▼ -0.05	▼ -0.01
342	9-Nov-23	14.80	▬ 0.00	▼ -0.01

Commodities

Commodities	Price	Change (%)
Brent	86.82	▲ 1.45
Bonny	85.49	▼ -2.19
Natural Gas	5.87	▼ -6.50
Gold	1,806.90	▲ 0.61
Silver	23.35	▲ 0.22
Copper	3.87	▲ 0.61
Cocoa	2,489	▼ -0.13
Coffee	160.15	▲ 0.05
Wheat	737.25	▼ -0.02

Money Market

//	Amount (NGN'bn)	Chg (NGN'bn)
System Liquidity	235.84	-25.21

Interbank	Rate (%)	change
OPR	11.38	▲ 188
O/N	13.00	▲ 167
Repo		
Call	9.25	▬ 0.00
1M	10.00	▬ 0.00
3M	10.00	▬ 0.00
6M	10.00	▬ 0.00

Currencies/Index	Rate (%)	Chg (%)
US Dollar Index	104.17	▼ -0.36
EUR/USD	1.058	▲ 0.38
GBP/USD	1.233	▲ 0.39

Foreign Exchange

Index	Amount (\$'bn)	Chg (\$'mn)
Foreign Reserve	37.112	▼ -4.95

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	▬ 0.00
I&E FX Window	445.33	▼ -0.50
NAFEX	444.10	▼ -0.33
Parallel Market	735.00	▼ -0.15

^^Forwards	Rate (\$/N)	Chg (NGN)
1M	460.03	▲ 7.28
2M	466.18	▲ 6.98
3M	471.58	▲ 8.36
6M	491.30	▲ 4.60
1Y	525.75	▲ 18.53

Equities & Global Market

Indices	Points	Change (%)
NGX YTD	12.73%	
NGX All Share	48,154.65	▲ 1.04
NGX Banking	404.04	▼ -0.31
NGX 30	1,736.30	▲ 1.08
NGX Consumer Good	548.35	▲ 0.40
S&P 500	4,076.57	▲ 0.12
FTSE 100	7,556.23	▼ -0.03
Euro STOXX 50	3,977.90	▼ -0.17
US 10-year	3.528	▲ 0.025
UK 10-year	3.142	▼ -0.005
German 10-year	1.823	▼ -0.031

Source: FMDQ, CBN, Reuters, CNBC

***Global Market & Commodities' quotes are as of 4:14 (GMT+1) – 5th December, 2022

**Bonny oil price is as of 2d December 2022