

FGN Bond Market

The FGN bond market extended its bearish sentiment yesterday with selling interests seen on mostly short- and mid-tenured maturities. The average benchmark yield increased by 16bps (basis points) to close at 13.99%.

Nigerian Treasury Bill (NTB)

The treasury bills market was relatively quiet yesterday with minimal trading activities seen at the belly of the curve. The average benchmark remained unchanged at 7.13%.

FGN Eurobond Market

The FGN Eurobond market closed relatively bearish yesterday, driven by selling interests seen on mid- and long-term maturities. The average benchmark yield rose by 9bps to 13.55%.

Money Market

The interbank rates stayed elevated yesterday as the liquidity condition remained tight. The rates on Open Buyback (OBB) and Overnight (O/N) transactions remained unchanged at 16.25% and 16.75% respectively.

Foreign Exchange Market

The value of naira depreciated by 25 kobo against the US dollar, at the CBN Investors & Exporters Window yesterday as the exchange rate closer higher to settle at NGN437.50/\$1. On Tuesday this week, Nigeria's foreign reserve declined by \$113.62 million to stand at \$38.139billion.

Oil Market

Reuters: Oil prices stabilised near three-week highs earlier today after OPEC+ agreed to further tighten global crude supply with a deal to slash production by about 2 million barrel per day, the largest reduction since 2020. Brent crude futures for December settlement edged up 12 cents to \$93.49 per barrel as of 7:30 am this morning after settling 1.7% higher in the previous session. Likewise, U.S. West Texas Intermediate (WTI) crude futures for November delivery gained 11 cents to \$87.87 per barrel, building on a 1.4% rise on Tuesday.

The agreement between the Organization of Petroleum Exporting Countries (OPEC) and allies including Russia, a group known as OPEC+, comes ahead of a European Union embargo on Russian oil and would squeeze supplies in an already tight market, adding to inflation

Saudi Energy Minister Abdulaziz bin Salman said the real supply cut would be about 1 million to 1.1 million bpd and they were in response to rising interest rates in the West and a weakening global economy. The administration of U.S. President Joe Biden has criticised the deal as being "shortsighted". The White House said President Joe Biden would continue to assess whether to release further strategic oil stocks to lower prices

Citi analysts said in a note that The final market impact would depend on the duration of the agreement, as OPEC+ decided to extend its Declaration of Cooperation until the end of 2023, adding that the supply cuts will keep global inventories low for longer and tighten markets in 2023.

What to expect today?

The Nigerian debt market is expected to be net bearish today and to be driven by bearish sentiment in the FGN Bond market segment while the treasury bill market is expected to be relatively tepid today. Tight liquidity condition is expected to keep the interbank rates elevated barring any major inflows today.

The FGN Eurobond market is expected to be sideways today as it is expected to be caught between the improved risk appetite in the global market and US jobless claim data that is expected today.

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	1.44	14.00	▲ 0.40
^12.50 22-JAN-2026	3.30	13.70	▬ 0.00
^16.2884 17-MAR-2027	4.45	13.73	▲ 0.66
^13.98 23-FEB-2028	5.38	13.75	▬ 0.00
^14.55 26-APR-2029	6.56	13.25	▬ 0.00
^12.1493 18-JUL-2034	11.78	13.97	▲ 0.37
^12.50 27-MAR-2035	12.47	13.98	▲ 0.52
^12.40 18-MAR-2036	13.45	14.00	▬ 0.00
^16.2499 18-APR-2037	14.54	15.27	▬ 0.00
^13.00 21-JAN-2042	19.30	14.05	▬ 0.00
^14.80 26-APR-2049	26.56	13.73	▬ 0.00
^12.98 27-MAR-2050	27.47	14.34	▬ 0.00

FGN Eurobond			
Description	TTM (Yrs)	Yield (%)	Change (%)
6.375 JUL 12, 2023	0.77	9.21	▼ -0.28
7.625 21-NOV-2025	3.13	12.32	▼ -0.16
6.50 NOV 28, 2027	5.15	12.32	▼ -0.16
6.125 SEP 28, 2028	5.98	14.28	▲ 0.12
8.375 MAR 24, 2029	6.47	14.79	▲ 0.11
7.143 FEB 23, 2030	7.38	14.70	▲ 0.23
8.747 JAN 21, 2031	8.29	14.63	▲ 0.11
7.875 16-FEB-2032	9.36	14.57	▲ 0.17
7.375 SEP 28, 2033	10.98	14.21	▲ 0.22
7.696 FEB 23, 2038	15.38	13.84	▲ 0.21
7.625 NOV 28, 2047	25.15	13.35	▲ 0.23
9.248 JAN 21, 2049	26.29	13.94	▲ 0.19
8.25 SEP 28, 2051	28.98	14.05	▲ 0.19

Major Business Headlines

- 2023 budget: Senate approves expenditure, okays \$73/barrel oil price:** The Senate on Wednesday approved the 23-25 Medium Term Expenditure Framework and Fiscal Strategic Paper ahead of the presentation of the 2023 budget proposals by the President on Friday. [The Senate gave the approval following the consideration of the report of its Joint Committee](#) on Finance and National Planning on the 2023-25 Medium Term Expenditure Framework and Fiscal Strategy Paper which the President, Major General Muhammadu Buhari recently proposed to the National Assembly.
- W/Bank lowers Nigeria's 2023 economic growth forecast to 3.2%:** [The World Bank has lowered its economic growth forecast for Nigeria in 2023 to 3.2 per cent from 3.3 per cent](#), citing slowdown in global growth, the war in Ukraine and declining demand from China for commodities produced in Africa. Consequently, the World Bank called on the governments in the Sub-Saharan African region to urgently implement measures to restore macro-economic stability and protect the poor in a context of slow growth, and high inflation.

Nigerian Treasury Bills			
DTM	Maturity	Yield (%)	Change (%)
8	13-Oct-22	5.7	▬ 0.00
36	10-Nov-22	5.94	▬ 0.00
113	26-Jan-23	6.64	▬ 0.00
127	09-Feb-23	6.77	▼ -0.01
155	09-Mar-23	7.04	▬ 0.00
204	27-Apr-23	7.52	▬ 0.00
218	11-May-23	7.66	▬ 0.00
246	08-Jun-23	7.95	▬ 0.00
337	07-Sep-23	8.94	▬ 0.00

Other Key Indices		
Indicators	Current	Change
OPEC Quota	1.826m bpd	+26,000bpd
System liquidity	N1.096tn	+744.66bn
Foreign reserve	\$38.28bn	-\$0.00mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$91.73	-\$0.07
FAAC Allocation	N954.09bn	+N151.68bn

Interbank	Rate (%)	change
OPR	16.17	▲ 2.17
O/N	16.83	▲ 1.83
Repo		
Call	15.00	▲ 5.50
1M	16.00	▲ 3.00
3M	18.00	▲ 5.00
6M	20.00	▲ 7.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	430.00	▬ 0.00
I&E FX Window	437.50	▲ 0.25
NAFEX	437.23	▲ 0.11
Parallel Market	730.00	▬ 0.00
^^Forwards		
	Rate (\$/N)	Chg (NGN)
1M	446.77	▲ 0.72
2M	448.03	▲ 1.02
3M	453.14	▲ 1.91
6M	467.92	▲ 1.28
1Y	495.21	▲ 4.34