

### Fixed Income and Money Market

#### FGN Bond Market

FGN bond market was quiet yesterday, as buying interests seen on few maturities were offset by selloffs registered on '18 April 2037" instrument. Thus, the average benchmark yield remained unaltered at 13.15%.

#### Nigerian Treasury Bill (NTB)

The treasury bills market recorded low trading activities yesterday with minimal buying interests seen on selected short-tenured bills. The average benchmark yield remained unchanged at 7.82%.

#### FGN Eurobond Market

The FGN Eurobond market closed on a bullish note with buying interests seen across board. The positive sentiments seen in the market are driven by improved risk appetite and OPEC+ supply cut. The average benchmark yield slipped by 10bps to 12.81%.

#### Money Market

In the interbank space, banks seek additional repurchase agreement (repo) of NGN40 billion to bolster their liquidity as the effect of FAAC allocation gradually fade out of the system. The rates on Open Buyback (OBB) and Overnight (O/N) transactions increased by 67bps each to close at 12.67% and 13.17% respectively.

#### Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira depreciated by NGN3.25 against the US dollar, as the exchange rate closed higher at NGN434.75/\$1. Nigeria's foreign reserve stood at \$39.02billion as of Thursday, last week.

#### Oil Market

- Reuters: Oil prices inched lower yesterday, paring gains from the previous session, as an OPEC+ deal to cut output by 100,000 barrels per day in October was seen as a largely symbolic move to bolster prices after the market's recent slide.
- On Friday, Gazprom shut Nord Stream indefinitely after claiming it had found an oil leak at a vital pipeline turbine, blaming Western sanctions and vowing to keep the pipeline offline until sanctions were lifted. That announcement follows a G7 announcement of an agreement to implement a price cap on Russian oil by December, with Moscow responding by threatening to stop selling oil to any country that supports price caps.
- Meanwhile, Russia energy minister Nikolai Shulginov told reporters at the Eastern Economic Forum in Vladivostok yesterday that Russia will respond to price caps on Russian oil by shipping more supply to Asia.
- As of 7:00 am, this morning, Brent Oil slipped by \$0.71 to trade at \$95.03 a barrel.

#### What to expect today?

The Nigerian debt market is expected to maintain a quiet trend today as investors looks forward to refinancing c.NGN215billion in NTB instruments at tomorrow's primary market sale. While the interbank rates are expected to edge higher today as liquidity conditions return to re-FAAC allocation status.

The Eurobond market is anticipated to be less bullish today as investors remained wary ahead of a European Central Bank meeting this week while also watching out for outcome from Russia's gas cut.

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	1.52	11.62	▼ -0.01
13.53 23-MAR-2025	2.55	13.03	▼ 0.00
^12.50 22-JAN-2026	3.38	12.80	▼ -0.15
^16.2884 17-MAR-2027	4.53	13.04	▼ 0.00
^13.98 23-FEB-2028	5.47	12.81	▼ 0.00
^14.55 26-APR-2029	6.64	12.64	▼ 0.00
^12.1493 18-JUL-2034	11.87	13.38	▼ 0.00
^12.50 27-MAR-2035	12.56	13.16	▼ 0.00
^12.40 18-MAR-2036	13.53	13.60	▼ 0.00
^16.2499 18-APR-2037	14.62	13.68	▲ 0.23
^13.00 21-JAN-2042	19.38	13.88	▼ -0.11
^14.80 26-APR-2049	26.64	13.59	▼ 0.00
^12.98 27-MAR-2050	27.56	13.65	▼ 0.00

FGN EUROBOND			
Description	TTM (Yrs)	Yield (%)	Change (%)
6.375 JUL 12, 2023	0.85	10.81	▼ -0.13
7.625 21-NOV-2025	3.21	12.01	▼ -0.09
6.50 NOV 28, 2027	5.23	12.01	▼ -0.09
6.125 SEP 28, 2028	6.06	12.93	▼ -0.14
8.375 MAR 24, 2029	6.55	13.44	▼ -0.10
7.143 FEB 23, 2030	7.47	12.94	▼ -0.06
8.747 JAN 21, 2031	8.38	13.28	▼ -0.12
7.875 16-FEB-2032	9.45	13.22	▼ -0.08
7.375 SEP 28, 2033	11.06	13.18	▼ -0.12
7.696 FEB 23, 2038	15.47	13.23	▼ -0.12
7.625 NOV 28, 2047	25.23	12.89	▼ -0.06
9.248 JAN 21, 2049	26.38	13.31	▼ -0.07
8.25 SEP 28, 2051	29.06	13.23	▼ -0.13

Nigerian Treasury Bill			
DTM	Maturity	Yield (%)	Change (%)
38	13-Oct-22	9.09	▼ -0.01
66	10-Nov-22	3.93	▼ 0.00
143	26-Jan-23	10.19	▼ -0.01
157	9-Feb-23	10.45	▼ -0.01
185	9-Mar-23	10.59	▼ -0.01
234	27-Apr-23	5.06	▼ 0.00
248	11-May-23	6.45	▼ 0.00
276	8-Jun-23	6.78	▼ 0.00

Spot	Rate (\$/N)	Chg (NGN)	^^Forwards	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	430.00	▼ 0.00	1M	435.20	▲ 0.76
I&E FX Window	434.75	▲ 3.15	2M	437.61	▼ -0.07
NAFEX	430.22	▲ 1.32	3M	440.19	▼ 0.00
Parallel Market	700.00	▲ 1.00	6M	451.88	▼ -0.70
			1Y	476.19	▼ -1.55

Interbank	Rate (%)	change
OPR	12.67	▲ 0.67
O/N	13.17	▲ 0.67
Repo		
Call	11.00	▼ 0.00
1M	13.00	▼ 0.00
3M	13.00	▼ 0.00
6M	13.00	▼ 0.00

#### Other Key Indices

Indicators	Current	Change
OBB	12.50%	+67bps
O/N	13.67%	+67bps
System liquidity	N137.15bn	-285.31bn
Foreign reserve	\$39.02bn	0.00mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$95.03	-\$0.71
FAAC Allocation	N954.09bn	+N151.68bn

#### Major Business Headlines

- OPEC approves 1.826million barrels per day output for Nigeria:** The Organisation of Petroleum Exporting Countries (OPEC) yesterday [approved 1.826 million barrels per day production quota for Nigeria for next month](#). In the period in view, the cartel is eyeing a total output of 43.3854mb/d. While 10 OPEC+ countries have the mandate to produce 26.689mb/d, the Non-OPEC countries got the go head to produce 17.165mb/d.
- IPMAN begins strike, fuel scarcity imminent in North:** Abuja, Kaduna, Nasarawa, Kogi, Niger and neighbouring states may encounter another round of scarcity of Premium Motor Spirit, popularly called petrol, following the [commencement of a three-day warning strike by the Suleja Depot Branch of the Independent Petroleum Marketers Association of Nigeria](#). Members of the union commenced the strike on Monday in protest against the continued indebtedness of the Federal Government to oil marketers with respect to the payment of fuel transportation costs, otherwise called bridging claims.
- FG Generated N600.15bn from VAT in Q2:** According to the Value Added Tax (VAT) Q2 2022 report, which was obtained from the statistical agency's website, [local payments accounted for N359.12 billion of total collections, while foreign VAT payments contributed N111.13 billion in the review period](#). Quarter-on-quarter, electricity, gas, steam, and air conditioning supply recorded the highest growth rate with 116.47 per cent, followed by accommodation and food service activities with 42.44 per cent..