

FGN Bond Market

The FGN Bond Market was relatively quiet yesterday with minimal trading activities. As a result, the average benchmark yield remained unchanged at 14.49%.

Nigerian Treasury Bill (NTB)

The treasury bills market closed flat yesterday with few buying interests seen on long-term instruments. The average benchmark yield remained unaltered at 11.36%.

FGN Eurobond Market

The FGN Eurobond market closed bearish yesterday with selling interest seen across board as reality bit on hopes for a soft economic landing in the United States, and investors curbed further enthusiasm about China's reopening. The average benchmark yield rose by 21bps to close at 11.72%.

Money Market

In the interbank space, the system liquidity remained elevated, causing the interbank rates to drop sharply. Meanwhile, banks seek additional NGN92.155 billion in Standing Lending Facility to bolster their liquidity. The rates on Open Buy back (OBB) and Overnight (O/N) declined by 125bps and 187bps to settle at 10.63% and 10.88% respectively.

Foreign Exchange Market

At the Investors and Exporters (I&E) window, the value of naira against the U.S. dollar depreciated by 47 kobo to settle at NGN445.80/\$1. The Nigeria's foreign reserve dropped by \$29.78 million to settle at \$37.075 billion as of Friday, last week.

Oil Market

- Reuters: Oil futures edged slightly higher this morning on hopes for improved Chinese demand while uncertainty about how a Western cap on Russian oil prices would play out kept markets on edge after a sharp fall the previous session. Brent crude futures gained 24 cents, at 6.30am this morning to trade at \$79.59 a barrel, after falling below \$80 for the second time in 2022 during the previous trading session.
- A potential drawdown in U.S. crude stockpiles of around 6.4 million barrels, according to API figures, also gave some sentiment support on the supply front. However, uncertainty on how the price cap on Russian oil would play out on supply contributed to volatility. Russia is considering three options, including banning oil sales to some countries and setting maximum discounts at which it would sell its crude, to counter the price cap imposed by Western powers, the Vedomosti daily reported.
- Crude oil inventories dropped for the fourth week in a row this week, by 6.426 million barrels, American Petroleum Institute (API) data showed on Tuesday, after dropping 7.85 million barrels in the week prior. Analysts anticipated a 3.884 million barrel draw. U.S. crude inventories have grown by just 6 million barrels so far this year, according to API data. Meanwhile, crude stored in the nation's Strategic Petroleum Reserves sunk by nearly 32 times that figure so far this year— by 206 million barrels. The SPR now contains the least amount of crude oil since February 1984.

What to expect today?

The FGN Bond market is expected to close bearish while the Treasury Bills market is expected to be quiet as investors take part in the primary auction sales today.

Given the liquidity condition, interbank rates are expected to stay within the higher bound of single digit and lower bound of double digits.

FGN Eurobond market is expected to follow yesterday's trend in the absence of any bullish catalyst.

FGN Bond

Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
14.20 14-MAR-2024	14 Mar 2024	1.27	13.65	0.00
13.53 23-MAR-2025	23 Mar 2025	2.29	13.98	0.00
12.50 22-JAN-2026	22 Jan 2026	3.13	14.26	0.00
16.2884 17-MAR-2027	17 Mar 2027	4.28	14.03	0.00
13.98 23-FEB-2028	23 Feb 2028	5.22	14.10	0.00
14.55 26-APR-2029	26 Apr 2029	6.39	14.54	0.09
12.1493 18-JUL-2034	18 Jul 2034	11.61	14.75	0.00
12.50 27-MAR-2035	27 Mar 2035	12.31	14.75	0.00
12.40 18-MAR-2036	18 Mar 2036	13.28	14.48	0.00
16.2499 18-APR-2037	18 Apr 2037	14.37	15.88	0.00
13.00 21-JAN-2042	21 Jan 2042	19.13	14.73	0.00
14.80 26-APR-2049	26 Apr 2049	26.39	14.55	0.00
12.98 27-MAR-2050	27 Mar 2050	27.31	14.72	0.00

FGN Eurobond

Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12 Jul 2023	9.37	0.38
7.625 21-NOV-2025	21 Nov 2025	10.88	0.13
6.50 NOV 28, 2027	28 Nov 2027	10.88	0.13
6.125 SEP 28, 2028	28 Sep 2028	11.71	0.17
8.375 MAR 24, 2029	24 Mar 2029	12.29	0.17
7.143 FEB 23, 2030	23 Feb 2030	12.00	0.19
8.747 JAN 21, 2031	21 Jan 2031	12.14	0.25
7.875 16-FEB-2032	16 Feb 2032	12.24	0.22
7.375 SEP 28, 2033	28 Sep 2033	12.01	0.28
7.696 FEB 23, 2038	23 Feb 2038	12.17	0.21
7.625 NOV 28, 2047	28 Nov 2047	11.97	0.24
9.248 JAN 21, 2049	21 Jan 2049	12.33	0.19
8.25 SEP 28, 2051	28 Sep 2051	12.36	0.22

Major Business Headlines

- Nigeria's oil production climbs to 1.6m barrels:** Nigeria's crude oil production is recovering, climbing right back to about 1.6 million barrels. Chief Upstream Investment Officer, NNPC Upstream Investment Management Services, Bala Wunti, said this at the 11th Practical Nigerian Content forum in Uyo, Akwa-Ibom state on Tuesday. According to him, [Nigeria's oil production as of Tuesday was 1.6 million barrels per day, from 937,000 barrels per day](#) reported in September. Wunti maintained that the output increase was a result of the government's rectangular approach to the fight against crude oil theft.
- Nigeria, others facing huge debt crisis, says W'Bank:** The World Bank has said that [Nigeria and other developing countries are facing debt crisis](#), noting that the situation has intensified. The World Bank Group President, David Malpass, disclosed this in a statement titled, 'Debt-Service Payments Put Biggest Squeeze on Poor Countries Since 2000' on Tuesday. According to the World Bank, its new International Debt Report revealed a rising debt-related risk for all developing economies — low- as well as middle-income economies.

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
51	26 Jan 2023	11.77	0.00
65	9 Feb 2023	8.44	0.00
93	9 Mar 2023	9.16	0.00
142	27 Apr 2023	8.31	0.00
156	11 May 2023	8.34	0.00
184	8 Jun 2023	11.68	0.00
275	7 Sep 2023	14.41	-0.01
324	26 Oct 2023	15.34	-0.01
338	9 Nov 2023	14.78	-0.01

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.742 m bpd	-84,000bpd
System liquidity	212.82bn	-N23.02bn
Foreign reserve	\$37.075bn	-\$29.74mn
Nig. Crude output	1.6m bpd	+586,000bpd
Brent Crude	\$79.59	+\$0.24
FAAC Allocation	N736.782bn	-N23.46bn

Interbank Rate (%) Change (%)

OPR	10.63	-1.25
O/N	10.88	-1.87
REPO		
Call	9.25	0.00
1M	10.00	0.00
3M	10.00	0.00
6M	10.00	0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	0.00
I&E FX Window	445.33	0.00
NAFEX	444.68	0.04
Parallel Market	735.00	-5.00

AAForwards	Rate (\$/N)	Chg (NGN)
1M	457.74	0.00
2M	463.83	0.00
3M	468.72	0.00
6M	487.24	0.00
1Y	520.31	0.00