

FGN Bond Market

The FGN Bonds market was mostly bearish last week, particularly affecting long-term papers. This led to a slight rise of 9 basis points in average benchmark yields, which ultimately settled at 14.30% week-on-week.

Nigerian Treasury Bill (NTB)

Last week, the Treasury Bills market showed limited trading activities but was bearish despite the interbank market's high liquidity position. The average benchmark yields increased by 19bps week-on-week, settling at 7.21%.

FGN Eurobond Market

The FGN Eurobonds market saw predominantly bullish sentiments on a week-by-week basis after the anticipated 25bps increase in FEDs and ECB rates. However, the market sentiment turned bearish due to the release of non-Farm payroll data. This led to increased yields, particularly on short-term papers, resulting in a 15bps rise in average benchmark yields, which closed at 13.09%.

Money Market

Throughout last week, the interbank rates were low due to the buoyant liquidity position resulting from OMO maturities. The Open Buy Back rate (OBB) decreased by 163bps week-on-week, closing at 11.00%, while the Overnight rate (O/N) also experienced a decrease of 175bps week-on-week and closed at 11.38%.

Foreign Exchange Market

The value of the Naira appreciated against the US dollar by 0.77 Kobo to settle at NGN462.23/\$1 week-on-week. Nigeria's foreign reserve was at \$ 35.276 billion as of Tuesday, 3rd May 2023 after declining by \$1 million.

Oil Market

Reuters: Nigerian President Muhammadu Buhari will commission the multi-billion dollar Dangote oil refinery in two weeks, a presidential spokesperson said on Sunday, setting up the plant for its first production since construction started in 2016.

Nigeria, Africa's biggest oil producer, sees the 650,000 barrels-per-day refinery built by billionaire industrialist Aliko Dangote's Dangote Group as a solution to ending the country's reliance on imports for nearly all of its refined petroleum products.

Spokesperson Bashir Ahmad said Buhari will commission the refinery, near Lagos, on May 22, a week before he is due to leave office after serving the maximum two terms allowed by the constitution.

The Dangote refinery's cost grew to \$19 billion from initial estimates of between \$12 billion and \$14 billion, after years of delays.

What to expect today?

In the Eurobond market, we expect the bearish trend to persist.

We expect the Treasury bills and Bonds market to be relatively stable today. For the interbank rate, we expect the rate to increase slightly as liquidity begins to be mopped from the market.

FGN Bond

Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
13.53 23-MAR-2025	23 Mar 2025	1.88	11.07	▼ -0.03
12.50 22-JAN-2026	22 Jan 2026	2.72	12.90	▲ 4.11
16.2884 17-MAR-2027	17 Mar 2027	3.87	12.84	▼ -0.02
13.98 23-FEB-2028	23 Feb 2028	4.80	14.01	▲ 0.00
14.55 26-APR-2029	26 Apr 2029	5.98	14.20	▲ 0.73
12.50 27-APR-2032	27 Apr 2032	8.98	14.90	▲ 1.14
12.1493 18-JUL-2034	18 Jul 2034	11.20	14.50	▲ 0.00
12.50 27-MAR-2035	27 Mar 2035	11.89	14.75	▲ 0.00
12.40 18-MAR-2036	18 Mar 2036	12.87	14.70	▲ 0.00
16.2499 18-APR-2037	18 Apr 2037	13.95	15.23	▲ 0.00
13.00 21-JAN-2042	21 Jan 2042	18.72	15.36	▲ 0.00
14.80 26-APR-2049	26 Apr 2049	25.98	15.60	▲ 0.00
12.98 27-MAR-2050	27 Mar 2050	26.89	15.84	▲ 0.86

FGN Eurobond

Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12 Jul 2023	14.56	▲ 1.96
7.625 21-NOV-2025	21 Nov 2025	12.24	▲ 0.82
6.50 NOV 28, 2027	28 Nov 2027	12.24	▲ 0.82
6.125 SEP 28, 2028	28 Sep 2028	12.58	▲ 0.64
8.375 MAR 24, 2029	24 Mar 2029	13.19	▲ 0.69
7.143 FEB 23, 2030	23 Feb 2030	13.09	▲ 0.77
8.747 JAN 21, 2031	21 Jan 2031	13.35	▲ 0.68
7.875 16-FEB-2032	16 Feb 2032	13.03	▲ 0.54
7.375 SEP 28, 2033	28 Sep 2033	13.08	▲ 1.00
7.696 FEB 23, 2038	23 Feb 2038	13.17	▲ 0.84
7.625 NOV 28, 2047	28 Nov 2047	12.90	▲ 0.78
9.248 JAN 21, 2049	21 Jan 2049	13.21	▲ 0.69
8.25 SEP 28, 2051	28 Sep 2051	13.20	▲ 0.76

Major Business Headlines

- **Nigeria's borrowing from World Bank hits \$14.34bn in Q1 – Report:** [Nigeria's borrowing from the World Bank has reached \\$14.34bn as of March 31, 2023](#). This was an increase from the \$13.93bn debt the Debt Management Office recorded as of December 31, 2022.
- **Dangote Refinery to be inaugurated by President Buhari on May 22:** There are reports that the world's largest single-train refinery, the Dangote Refinery, [is set for inauguration by President Muhammadu Buhari on May 22, 2023](#).
- **Solar product sales rose by 450% in Nigeria within 5 Years:** Solar product sales have risen by 450% from 2017 to 2022, [according to a new report by a renewable energy association](#), highlighting the growing interest in embracing alternative power sources.

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
34	8 Jun 2023	5.53	▼ -0.02
125	7 Sep 2023	5.50	▼ -0.02
174	26 Oct 2023	6.34	▼ -0.02
188	9 Nov 2023	6.59	▼ -0.02
216	7 Dec 2023	7.09	▼ -0.02
265	25 Jan 2024	7.99	▼ -0.02
279	8 Feb 2024	8.26	▼ -0.02
307	7 Mar 2024	10.39	▼ -0.03

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.830mbpd	+31,000bpd
System liquidity	N341.59bn	N71.51bn
Foreign reserve	\$35.28bn	-1.00mn
Nig. Crude output	1.268mbpd	-0.038mbpd
Brent Crude	\$75.23	+\$2.54
FAAC Allocation	N714.629bn	-N8.055bn

Interbank	Rate (%)	change
OPR	11.00	▲ 0.00
O/N	11.38	▲ 0.00
Repo		
Call	5.75	▲ 1.25
1M	9.83	▼ -0.17
3M	10.33	▲ 0.00
6M	10.33	▼ -0.33

Spot	Rate (\$/N)	Chg (NGN)	
CBN SMIS Window	462.00	▲ 0.00	
I&E FX Window	462.23	▼ -0.65	
NAFEX	462.58	▼ -0.30	
Parallel Market	740.00	▲ 2.00	
AA Forwards	Rate (\$/N)	Chg (NGN)	Column1
1M	469.74	▲ 0.07	469.67
2M	485.40	▲ 0.07	485.33
3M	496.97	▲ 0.07	496.90
6M	540.64	▲ 0.10	540.54
1Y	568.29	▲ 0.08	568.21