

## FGN Eurobond Market

The Eurobond market continued its bearish trend yesterday, with selling interests seen on most maturities. The average benchmark yield advanced by 10bps (basis points) to 12.20%.

## FGN Bond Market

The FGN bond market recorded positive sentiments yesterday, with buying interests seen on selected maturities. The average benchmark yield slipped by 19bps to 13.49%.

## Nigerian Treasury Bill (NTB)

The treasury bills market closed flat yesterday, with low trading activities seen across board. As a result, the average benchmark yield remained unchanged at 1.79%.

## Money Market

At the interbank space, system liquidity improved on the back of OMO repayment of NGN38.5 billion, causing the interbank rates to remain unchanged. Thus, the rates on Open Buyback (OBB) and Overnight (O/N) transactions maintained constant values at 10.50% and 10.81%, respectively.

## Foreign Exchange Market

At the CBN Investors & Exporters Window, the value of naira appreciated against the US dollar as the exchange rate closed lower by 67 kobo to N461.50/\$1. Nigeria's foreign reserve stood at \$36.989 billion as of Friday last week.

## Oil Market

- Reuters: Oil prices were little changed this morning amid subdued movements in the dollar, and as investors waited for more inventory data for more clues on demand trends.
- Oil benchmarks are expected to retain support after Federal Reserve Chair Jerome Powell sounded less hawkish on interest rates than markets had expected, while the latest data showed U.S. crude inventories fell despite earlier expectations of a climb.
- Supporting the market, weekly inventory data from the American Petroleum Institute industry group showed crude stocks fell by about 2.2 million barrels in the week ended Feb. 3, according to market sources. That defied expectations from nine analysts polled by Reuters, who had estimated crude stocks grew by 2.5 million barrels.
- However, gasoline and distillate inventories rose more than expected, with gasoline stocks up by about 5.3 million barrels and distillate stocks, which include diesel and heating oil, up by about 1.1 million barrels.
- The market will be looking to see if data from the U.S. Energy Information Administration, due at 1530 GMT, confirms the decline in crude stocks.
- Brent crude futures gained 9 cents, to trade at \$83.78 per barrel, as of 6.30am this morning.

## What to expect today?

We expect that the Nigerian bond market follow yesterday's trend while the treasury bill market is expected to be quiet. Interbank rates are expected to stay within the higher bound of single digit and lower bound of double digit.

FGN Eurobond market is anticipated to continue its bearish sentiments as investors digest Powell's speech, indicating that the economy would need more interest rates.

FGN Bond				
Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	14 Mar 2024	1.10	6.63	▼ -1.38
^13.53 23-MAR-2025	23 Mar 2025	2.12	10.26	▬ 0.00
^12.50 22-JAN-2026	22 Jan 2026	2.96	11.20	▼ -0.88
^16.2884 17-MAR-2027	17 Mar 2027	4.10	13.40	▬ 0.00
^13.98 23-FEB-2028	23 Feb 2028	5.04	13.76	▼ -0.20
^14.55 26-APR-2029	26 Apr 2029	6.21	14.05	▬ 0.00
^12.1493 18-JUL-2034	18 Jul 2034	11.44	14.49	▬ 0.00
^12.50 27-MAR-2035	27 Mar 2035	12.13	14.59	▬ 0.00
^12.40 18-MAR-2036	18 Mar 2036	13.11	14.75	▬ 0.00
^16.2499 18-APR-2037	18 Apr 2037	14.19	15.91	▼ -0.04
^13.00 21-JAN-2042	21 Jan 2042	18.95	15.15	▬ 0.00
^14.80 26-APR-2049	26 Apr 2049	26.21	16.05	▲ 0.03
^12.98 27-MAR-2050	27 Mar 2050	27.13	15.10	▬ 0.00

  

FGN Eurobond			
Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12 Jul 2023	11.15	▲ 0.36
7.625 21-NOV-2025	21 Nov 2025	11.75	▲ 0.18
6.50 NOV 28, 2027	28 Nov 2027	11.75	▲ 0.18
6.125 SEP 28, 2028	28 Sep 2028	11.80	▲ 0.02
8.375 MAR 24, 2029	24 Mar 2029	12.77	▲ 0.10
7.143 FEB 23, 2030	23 Feb 2030	12.65	▲ 0.05
8.747 JAN 21, 2031	21 Jan 2031	12.76	▲ 0.09
7.875 16-FEB-2032	16 Feb 2032	12.72	▲ 0.06
7.375 SEP 28, 2033	28 Sep 2033	12.38	▲ 0.09
7.696 FEB 23, 2038	23 Feb 2038	12.30	▲ 0.05
7.625 NOV 28, 2047	28 Nov 2047	11.89	▲ 0.04
9.248 JAN 21, 2049	21 Jan 2049	12.39	▲ 0.05
8.25 SEP 28, 2051	28 Sep 2051	12.27	▬ 0.00

## Major Business Headlines

- Manufacturers decry sourcing 95 per cent of FX needs from black market:** The Manufacturers Association of Nigeria (MAN) has again decried the [lingering foreign exchange crisis in the manufacturing sector noting that the sector is the worst hit](#), with impact on productivity and inflation. According to MAN, the sector still depends largely on the black market for over 95 per cent of its forex needs, noting that only five per cent of its forex demand is sourced from the official market.
- 66yrs after, Nigeria to make oil production, cargo data open:** The Federal Government has revealed plans to introduce accountability and transparency measures into the production of oil and gas amid continuous theft of the nation's oil resources. The country, after 66 years of oil production, is targeting to [monitor how oil and gas lifted from the country and where they are ending up in the world](#). These moves will see the introduction of five new regulations among which include compulsory provision of crude oil to local refineries, gas development and new oil fields development.

## NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
30	9 Mar 2023	0.98	▬ 0.00
79	27 Apr 2023	1.10	▬ 0.00
93	11 May 2023	1.13	▬ 0.00
121	8 Jun 2023	1.20	▬ 0.00
212	7 Sep 2023	1.42	▬ 0.00
261	26 Oct 2023	1.53	▬ 0.00
275	9 Nov 2023	3.07	▬ 0.00
303	7 Dec 2023	3.86	▬ 0.00

## Other Key Indices

Indicators	Current	Change
OPEC Quota	1.830mbpd	+31,000bpd
System liquidity	N406.12bn	+N155.5bn
Foreign reserve	\$36.989bn	-\$31.32mn
Nig. Crude output	1.267m bpd	+92,000bpd
Brent Crude	\$83.78	+\$0.09
FAAC Allocation	N990.19bn	+N88.14bn

Interbank	Rate (%)	Change (%)
OPR	10.50	▬ 0.00
O/N	10.81	▬ 0.00
<b>REPO</b>		
Call	5.50	▬ 0.00
1M	8.00	▬ 0.00
3M	8.00	▬ 0.00
6M	8.00	▬ 0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	▬ 0.00
I&E FX Window	461.50	▼ -0.67
NAFEX	461.30	▬ 0.00
Parallel Market	757.00	▬ 0.00
<b>AAForwards</b>		
		Rate (\$/N)
1M	491.97	▲ 8.64
2M	486.63	▼ -0.45
3M	490.00	▼ -0.45
6M	507.09	▼ -0.17
1Y	532.45	▼ -0.24