

Fixed Income and Money Market

FGN Bond Market

The FGN bond market was quiet yesterday, however, the market registered sell-offs on "January 2026" maturity, pushing the market into bearish region. As a result, the average benchmark yield inched up by 3 basis points (bps) to close at 11.58%

Nigerian Treasury Bill (NTB)

NTB market sustained another bearish streak with most interests seen on the short end of the curve. While the liquidity in the system remains weak, the average benchmark yield rose by 7 bps to close at 7.31%.

FGN Eurobond Market

In response to a likely hike of 50-75bps, the FGN Eurobond market registered another bearish session yesterday as the market awaits US employment data for the month of June. The market registered sell-offs across board as the average benchmark yield rose by 21bps to settle at 13.10%.

Money Market

The rates on Open Buy back (OBB) rose by 17 bps while Overnight (O/N) remained unchanged as both rates close at 14.00%. In this month alone, Repurchase Agreement (repo) and Standing Lending Facility (SLF) transaction has hit NGN717.7billion and NGN615.7 billion, respectively, as system liquidity remains tight

Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira depreciated by 41 kobo against the US dollar as the exchange rate closed higher at NGN428.16/\$1. On Monday and Tuesday, this week, Nigeria's foreign reserve rose by \$16.98 million and \$64.61 million to settle at \$39.34 billion.

Oil Market

- Reuters: Oil prices edged slightly higher in volatile Asian trade on Friday, reversing earlier losses as the market weighed up the tight global supply concerns against recession fears. As of 8:00am this morning, Brent crude futures lost 3 cents to trade at \$100.66 a barrel.
- Stephen Innes, managing director at SPI Asset Management, "With more rate hikes to come and the U.S. likely in a technical recession, top-side market ambitions could be quite limited. "The only reason why oil is not lower is due to self (imposed) and official sanctions on Russian oil," Innes added. Western bans on Russian oil and gas output have kept global energy prices buoyed, while other major producers have yet to significantly boost to supplies.
- Data from U.S. Energy Information Administration (EIA) showed on Thursday that product supplied, the best proxy for U.S. consumer demand, rose to 20.5 million barrels per day in the most recent week. Overall gasoline and distillate demand over the past four weeks, however, was down a little more than 5% from the year-ago period.
- On the other hand, President Vladimir Putin has raised the stakes in an economic war with the West and its allies with a decree that seizes full control of the Sakhalin-2 gas and oil project in Russia's far east, a move that could force out Shell and Japanese investors.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	6.93%	6.89%	-0.04
^16.29 17-MAR-2027	10.72%	10.72%	0.00
^12.15 18-JUL-2034	12.30%	12.30%	0.00

Nigerian Treasury Bills Yields

29-SEPT-2022 (84 days)	9.51%	9.50%	-0.01
26-JAN-2023 (203 days)	7.23%	7.11%	-0.12
08-JUN-2023 (336 days)	6.39%	6.39%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	8.77%	8.92%	+0.15
6.50 NOV 28, 2027	12.78%	12.97%	+0.17
7.875 16-FEB-2032	13.64%	13.83%	+0.19

Forex Spot rates

I&E Market	428.75	428.16	+0.41
SMIS Market	430.00	430.00	0.00
Parallel Market	610.00	615.00	+5.00

Forex Forward rates

1 month	428.37	427.68	-0.69
6 months	449.20	449.21	+0.01
12 months	472.90	472.74	-0.16

Other Key Indices

Indicators	Current	Change
OBB	14.00%	+17bps
O/N	14.00%	0.00bps
System liquidity (op. bal)	N165.91bn	+19.495bn
Foreign reserve	\$39.335bn	+\$64.61mn
OPEC Quota	1.826m bpd	+26,000bpd
Nig. Crude output	1.024m bpd	-80,000bpd
Brent Crude	\$100.66	-\$0.03
FAAC Allocation	N656.602bn	+N24.18bn

Major Business Headlines

- Nigeria secures Lion's share of \$65bn World Bank funding:** The Federal Government of Nigeria, on Thursday, [secured the biggest share of the \\$65bn \(N27tn\) funding](#) from the World Bank's International Development Association to African countries. This was as the international organisation unveiled the 20th replenishment package, IDA-20, in Dakar, the Senegalese capital, to help low-income countries respond to the COVID-19 crisis and build more resilient economies.
- Tackle global supply chain disruption, LCCI tells FG:** The Lagos Chamber of Commerce and Industry has advised the Federal Government to devise means of boosting local production in order to fix the lingering supply chain crisis that ensued in the wake of the Russia-Ukraine war. The President of the chamber, Aswaju Michael Olowale-Cole, stated this during his address at the LCCI quarterly state of the economy press conference held in Lagos. Olowale-Cole said the war between Russia and Ukraine had unexpectedly lingered since February till date, fuelling deeper fears about worsening food scarcity and rising poverty. He added that supply chain disruptions might continue for the rest of the year.
- Natural Oil Gas Suppliers Seek Five-month Licencing Window for Diesel Importation:** The Natural Oil and Gas Suppliers Association of Nigeria (NOGASA), a body of organised suppliers, stakeholders and practitioners in the nation's oil and gas sector, yesterday called on the federal government to allow its members a five-month window to import diesel to stabilise supply and prices. This was just as the House of Representatives' Ad-hoc Committee investigating the 'actual daily consumption of petrol in Nigeria, yesterday demanded full details of all the petroleum products seized and auctioned by the Nigerian Customs Service (NCS).