

FGN Bond Market

The FGN Bond was quiet yesterday with minimal trading activities seen across board. The average benchmark yield remained unchanged at 14.82%.

Nigerian Treasury Bill (NTB)

The treasury bill market traded in the bullish region yesterday with buying interest seen across several maturities. The average benchmark yield dipped by 2bps to 11.32%.

FGN Eurobond Market

The FGN Eurobond market recorded a bullish session yesterday, as world markets appear at ease with the prospect of U.S. legislative gridlock after today's mid-term congressional elections, with one wary eye on a critical inflation update later in the week. The average benchmark yield plummeted by 74bps to 13.09%.

Money Market

In the interbank space, the impact of FAAC is seen to have eased the system liquidity with standing lending facility closing at NGN22.126 billion. The rates on Open Buyback (OBB) and Overnight (O/N) transactions remained unchanged at 8.50% and 8.83%, respectively.

Foreign Exchange Market

At the Investors and Exporters (I&E) window, naira maintained a constant value against the U.S. dollar at NGN445.50/\$1. The Nigeria's foreign reserve increased by \$235,805 to \$37.366 billion as of Thursday last week.

Oil Market

- Reuters: Oil prices fell earlier this morning as recession concerns and worsening COVID-19 outbreaks in China sparked fears of lower fuel demand, outweighing supply worries.
- CMC Markets analyst Tina Teng stated that on the back of sticky inflation and rising interest rates in major western countries, oil futures are still pricing in the possibility of a global economic recession. This, along with a slowdown in China fuel demand, are reasons for the pull-back in oil futures prices in the past few months.
- Russian attacks on Ukraine's energy infrastructure will leave Ukraine under emergency shutdowns for up to five weeks, with President Volodymyr Zelensky warning that more attacks may follow and the mayor of Kyiv urging residents to prepare for temporary evacuation if water and power supplies are cut off. The director of Ukraine's Energy Research Center, Oleksandr Kharchenko said on Monday that the country's energy companies need two to five weeks to restore stability to Ukraine's energy system in the aftermath of Russian attacks on infrastructure.
- As of 6.30am this morning, Brent crude futures lost 31 cents to trade at \$97.61 per barrel.

What to expect today?

The FGN bond market is expected to be bearish while the NTB market is expected to be bullish in anticipation of tomorrow's primary market auction.

Inflow from FAAC is expected to give some momentarily relief as interbank rates are expected to stay in the higher bound of single-digit.

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

FGN Bond

Description	Maturity Date	TTM (Yrs)	Yield (%)	Change (%)
14.20 14-MAR-2024	14 Mar 2024	1.35	15.14	0.00
13.53 23-MAR-2025	23 Mar 2025	2.37	14.51	0.00
12.50 22-JAN-2026	22 Jan 2026	3.21	14.81	0.01
16.2884 17-MAR-2027	17 Mar 2027	4.36	14.60	0.00
13.98 23-FEB-2028	23 Feb 2028	5.29	14.71	0.00
14.55 26-APR-2029	26 Apr 2029	6.47	14.85	0.00
12.1493 18-JUL-2034	18 Jul 2034	11.69	14.63	0.00
12.50 27-MAR-2035	27 Mar 2035	12.38	14.70	0.00
12.40 18-MAR-2036	18 Mar 2036	13.36	14.30	0.00
16.2499 18-APR-2037	18 Apr 2037	14.44	15.74	0.00
13.00 21-JAN-2042	21 Jan 2042	19.21	14.80	0.00
14.80 26-APR-2049	26 Apr 2049	26.47	14.93	0.00
12.98 27-MAR-2050	27 Mar 2050	27.38	14.95	0.00

FGN Eurobond

Description	Maturity Date	Yield (%)	Change (%)
6.375 JUL 12, 2023	12 Jul 2023	9.94	-0.78
7.625 21-NOV-2025	21 Nov 2025	12.19	-0.86
6.50 NOV 28, 2027	28 Nov 2027	12.19	-0.86
6.125 SEP 28, 2028	28 Sep 2028	13.94	-0.84
8.375 MAR 24, 2029	24 Mar 2029	14.17	-0.83
7.143 FEB 23, 2030	23 Feb 2030	13.83	-0.82
8.747 JAN 21, 2031	21 Jan 2031	13.86	-0.74
7.875 16-FEB-2032	16 Feb 2032	13.81	-0.70
7.375 SEP 28, 2033	28 Sep 2033	13.54	-0.73
7.696 FEB 23, 2038	23 Feb 2038	13.44	-0.59
7.625 NOV 28, 2047	28 Nov 2047	12.73	-0.61
9.248 JAN 21, 2049	21 Jan 2049	13.33	-0.60
8.25 SEP 28, 2051	28 Sep 2051	13.24	-0.68

Major Business Headlines

- Marketers say tough times as petrol hits N200/litre:** The cost of Premium Motor Spirit, popularly called petrol, has risen to as high as N200/litre at depots, which means that [motorists should brace up to buy PMS above N200/litre at filling stations](#). It was learnt on Monday that PMS cost, which was about N178 to N185/litre recently, had been jerked up by private depot owners due to the drop in supply by the Nigerian National Petroleum Company Limited, among other operational concerns.
- FG commits \$457m to off-grid electrification projects:** The Federal Government has disbursed a total of \$64.8m and committed \$392m for the development of [off-grid electrification projects in the 36 states of the federation and the Federal Capital Territory](#). Hence, the total commitment made by the government to steer the projects is estimated at \$456.8 million, which is equivalent to N196.424bn by today's official dollar rate. Under the NEP, a total of \$550m loan facility was made available to Nigeria by the World Bank and the African Development Bank with the target of providing off-grid electricity to 705,000 households.

NIGERIAN TREASURY BILLS

DTM	Maturity	Yield (%)	Change (%)
80	26 Jan 2023	11.88	-0.01
94	9 Feb 2023	8.50	-0.01
122	9 Mar 2023	9.23	-0.01
171	27 Apr 2023	8.37	-0.01
185	11 May 2023	10.97	-0.01
213	8 Jun 2023	11.78	-0.01
304	7 Sep 2023	14.58	-0.02
353	26 Oct 2023	15.29	-0.02

Other Key Indices

Indicators	Current	Change
OPEC Quota	1.742 m bpd	-84,000bpd
System liquidity	N352.72bn	-N122.04bn
Foreign reserve	\$37.366bn	+\$235.805
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$97.61	-\$0.31
FAAC Allocation	N760.24bn	_N151.68bn

Interbank Rate (%) Change (%)

Instrument	Rate (%)	Change (%)
OPR	8.50	0.00
O/N	8.83	0.00
REPO		
Call	7.50	-0.50
1M	8.00	0.00
3M	8.00	0.00
6M	8.00	0.00

Spot Rate (\$/N) Chg (NGN)

Instrument	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	445.00	0.00
I&E FX Window	445.50	0.00
NAFEX	443.38	0.08
Parallel Market	870.00	-25.00
AAForwards	Rate (\$/N)	Chg (NGN)
1M	449.45	0.42
2M	453.09	-0.31
3M	458.97	0.58
6M	476.66	0.17
1Y	501.99	-0.48