

Fixed Income and Money Market

FGN Bond Market

FGN bond market was mostly quiet yesterday with minimal buying interests seen across most maturities. The average benchmark yield remained unchanged at 13.16%.

Nigerian Treasury Bill (NTB)

The treasury bills market closed relatively flat yesterday with low trading activities across board. The average benchmark yield remained unchanged at 7.81%.

FGN Eurobond Market

The FGN Eurobond market extended its bullish sentiment with buying interests seen across maturities on the back of improved risk appetite as the market priced in an 80% chance of a 75 basis points hike from European Central Bank later today. The average benchmark yield dropped by 8bps to 12.59%.

Money Market

Interbank rates fell further at the money market yesterday as primary market repayment bolstered the system liquidity. The rates on Open Buyback (OBB) and Overnight (O/N) reduced by 333bps each to close at 9.67% and 10.17% respectively.

Foreign Exchange Market

At the CBN Investors & Exporters Window yesterday, the value of naira appreciated by 17 kobo against the US dollar, as the exchange rate closed lower at NGN436.33/\$1. Nigeria's foreign reserve dropped by \$18.72 million to settle at \$38.92 billion as of Tuesday, this week.

Oil Market

Reuters: Crude prices edged up about 1% on Thursday after dropping to a seven-month low in the prior session as some technical traders bought the dip and Russia threatened to halt oil and gas exports to some buyers.

That price increase came despite a surprise build in U.S. crude inventories, news that the United States was weighing the need for more crude releases from strategic reserves and concerns China's COVID-19 lockdown extensions and rising global interest rates would slow economic activity and hit fuel demand.

U.S. crude stockpiles surged by nearly 9 million barrels last week due to a combination of increased imports and ongoing releases from government emergency reserves, the Energy Information Administration said. The hefty build compares with the 250,000-barrel draw analysts forecast in a Reuters poll and data from American Petroleum Institute (API) industry group showing a 3.6-million-barrel increase.

As of 7:46 am, this morning, Brent futures rose \$0.25 to settle at \$89.40 a barrel, while U.S. West Texas Intermediate (WTI) crude rose \$0.13 to settle at \$83.67

What to expect today?

The Nigerian debt market is expected to see some selling interests on selected maturities while interbank rates are expected to rise as liquidity conditions remained weak.

The FGN Eurobond market is expected to be less bullish today as the market shifts focus to European Central Bank's policy outcome later today.

FGN Bond			
Description	TTM (Yrs)	Yield (%)	Change (%)
^14.20 14-MAR-2024	1.51	11.50	0.00
13.53 23-MAR-2025	2.54	13.01	0.00
^12.50 22-JAN-2026	3.37	12.98	0.00
^16.2884 17-MAR-2027	4.52	13.05	0.00
^13.98 23-FEB-2028	5.46	13.00	0.00
^14.55 26-APR-2029	6.63	12.64	0.00
^12.1493 18-JUL-2034	11.86	13.35	-0.03
^12.50 27-MAR-2035	12.55	13.16	0.00
^12.40 18-MAR-2036	13.52	13.60	0.00
^16.2499 18-APR-2037	14.61	13.68	0.00
^13.00 21-JAN-2042	19.37	13.88	0.00
9.80 24-JUL-2045	22.87	13.74	0.00
^14.80 26-APR-2049	26.63	13.59	0.00
^12.98 27-MAR-2050	27.55	13.65	0.00

FGN Eurobond			
Description	TTM (Yrs)	Yields	Change (%)
6.375 JUL 12, 2023	0.84	10.21	-0.04
7.625 21-NOV-2025	3.20	11.78	-0.14
6.50 NOV 28, 2027	5.22	11.78	-0.14
6.125 SEP 28, 2028	6.06	12.79	-0.10
8.375 MAR 24, 2029	6.54	13.24	-0.12
7.143 FEB 23, 2030	7.46	12.83	-0.09
8.747 JAN 21, 2031	8.37	13.14	-0.10
7.875 16-FEB-2032	9.44	13.03	-0.13
7.375 SEP 28, 2033	11.06	13.05	-0.11
7.696 FEB 23, 2038	15.46	13.06	-0.08
7.625 NOV 28, 2047	25.22	12.61	-0.14
9.248 JAN 21, 2049	26.37	13.09	-0.12
8.25 SEP 28, 2051	29.06	13.06	-0.10

Nigerian Treasury Bills			
DTM	Maturity	Yield (%)	Change (%)
35	13-Oct-22	9.08	0.00
63	10-Nov-22	3.93	0.00
140	26-Jan-23	10.18	0.00
154	9-Feb-23	10.44	0.00
182	9-Mar-23	10.58	0.00
231	27-Apr-23	5.06	0.00
245	11-May-23	6.44	0.00
273	8-Jun-23	6.78	0.00

Spot	Rate (\$/N)	Chg (NGN)
CBN SMIS Window	430.00	0.00
I&E FX Window	436.33	-0.17
NAFEX	435.83	0.23
Parallel Market	706.00	4.00

^^Forwards	Rate (\$/N)	Chg (NGN)
1M	435.74	-0.05
2M	437.79	0.15
3M	440.35	0.00
6M	452.84	0.82
1Y	476.34	-0.09

Interbank	Rate (%)	change
OPR	9.67	-3.33
O/N	10.17	-3.33
Repo		
Call	6.00	-6.00
1M	10.00	-4.00
3M	10.00	-4.00
6M	10.00	-4.00

Other Key Indices		
Indicators	Current	Change
OBB	9.67%	-333ps
O/N	10.17%	-333bps
System liquidity	N66.79bn	-7.59bn
Foreign reserve	\$38.92bn	-18.72mn
Nig. Crude output	1.158m bpd	+134,000bpd
Brent Crude	\$91.39	-\$1.44
FAAC Allocation	N954.09bn	+N151.68bn

Major Business Headlines

- Obaseki Advocates Investment in Oil Palm to Boost Nigeria's Foreign Exchange Earnings:** Speaking at the 26th annual Stockbrokers' Conference in Benin City, Obaseki, who was represented by the Edo State Government's Head of Service, Mr Anthony Okungbowa stated that the Edo State Government developed the Edo State Oil Palm Programme (ESOPP) in collaboration with the Central Bank of Nigeria (CBN) to [de-risk investment in the oil palm plantation and agriculture sector](#) in order to tackle supply gap in the system.
- PENGASSAN Threatens 30-Day Shutdown, Nigeria Risks N1.37tn Loss** - Protesting members of the Petroleum and Natural Gas Senior Staff Association of Nigeria on [Thursday threatened to shut down oil production in Nigeria for 30 days if the Federal Government fails to curb the lingering massive oil theft in the Niger Delta](#). Findings by our correspondent showed that should the workers implement their threat, Nigeria might lose about N1.37trn from the non-production and sale of crude oil, a major foreign exchange revenue earner for the country.
- NLNG explores carbon capture, hydrogen electrification for Nigeria's energy transition:** As stakeholders advocate diversification of energy sources, the Nigeria Liquefied Natural Gas (NLNG) Limited, yesterday, stated that the firm is already implementing studies on Carbon Capture, Usage and Storage (CCUS), hydrogen electrification and [evaluating how they can support the nation's energy transition](#) journey. Though Nigeria has identified gas as transition energy, the reality of the Russia-Ukraine crisis has led many nations and operators to explore opportunities in hydrogen and other renewable alternatives.