

Fixed Income and Money Market

FGN Bond Market

The FGN Bond market closed bearish yesterday with interests seen on short- and long-term instruments. The average benchmark yield surged by 4bps to close at 10.48%.

Nigerian Treasury Bill (NTB)

Treasury bills market closed on a quiet note yesterday with interests seen on selected instruments. The average benchmark yield declined slightly by 1bp to close at 3.51%

FGN Eurobond Market

The FGN Eurobond Market sustained its bullish run yesterday, with buying seen across board. The average benchmark yield declined by 13bps to settle at 8.19% as the market remains highly volatile.

Money Market

System liquidity was weakened by a net outflow of N142.5 billion on the back of Primary Market Auction (PMA) Settlement, causing the interbank rates to surge slightly. The rates on Open Buyback (OBB) and Overnight (O/N) increased by 50bps and 8bps to close at 4.50% and 4.83%, respectively.

Foreign Exchange Market

The value of Naira further depreciated against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate rose by 17 kobo to close at \$1/N416.67. On the other hand, Nigeria's foreign reserve fell by \$17.42 million to settle at \$39.77 billion.

Oil Market

- ❑ Oil prices settled about 2% lower on Thursday after a volatile session, a day after its biggest daily dive in two years, as Russia pledged to fulfil contractual obligations and some traders said supply disruption concerns were overdone. As of 8:00 am this morning, the Brent Crude has gained \$1.51 to trade at \$110.80
- ❑ Crown Prince Mohammed bin Salman of Saudi Arabia and Sheikh Mohammed bin Zayed of United Arab Emirates declined requests for direct communication with President Biden in recent weeks. With the United States silently hoping that Saudi Arabia and the UAE would increase crude production in the short term. A Wall Street Journal report noted that Riyadh considers U.S.-Saudi relations to have worsened since President Biden came into office, making it difficult to leverage on the middle eastern states for production increase.
- ❑ Uncertainty over where and when supply will come from to replace crude from the world's second largest exporter Russia in a tight market has led to wide ranging forecasts for oil prices between \$100 and \$200 a barrel.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	6.42%	6.41%	-0.01
^16.29 17-MAR-2027	9.95%	9.94%	-0.01
^12.15 18-JUL-2034	11.40%	11.40%	0.00

Nigerian Treasury Bills Yields

9-JUN-2022 (91 days)	3.27%	3.27%	0.00
8-SEP-2022 (182 days)	3.54%	3.54%	0.00
9-FEB-2023 (336 days)	3.99%	3.99%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	5.08%	4.96%	-0.12
6.50 NOV 28, 2027	7.76%	7.57%	-0.19
7.875 16-FEB-2032	9.10%	8.91%	-0.19

Forex Spot rates

I&E Market	416.50	416.67	-0.17
SMIS Market	430.00	430.00	0.00
Parallel Market	000.00	000.00	0.00

Forex Forward rates

1 month	418.48	418.47	-0.01
6 months	433.37	433.31	-0.06
12 months	448.76	448.76	0.00

Other Key Indices

Indicators	Current	Change
OBB	4.50%	+50bps
O/N	4.83%	+8bps
System liquidity (op. bal)	N285.95bn	+N12.79bn
Foreign reserve	\$39.77bn	\$17.42mn
Nig. Crude output	1.398m bpd	+81,000bpd
Brent Crude	\$110.80	+\$1.51
FAAC Allocation	N574.66bn	-N125bn

Major Business Headlines

- ✓ **Power Generation:** Transmission Company of Nigeria (TCN), yesterday, admitted that the country's power supply has nosedived with challenges at over [14 generation plants](#) keeping output at record low. According to the agency, power generating profile in the last two months showed that 14 gas stations were either not generating at all or had limited generation at various times within the period.
- ✓ **Gas Development:** The Federal Government on Thursday called on the United States Government to support Nigeria with funds to develop Nigeria's natural gas resources so as to serve as [alternative source of energy](#) for Europe. It made the call on the heels of the war by Russia in Ukraine, which posed a threat and disruption of gas supplies from Russia to the entire Europe.
- ✓ **Value added Tax (VAT):** As the debate over whether the state or Federal Government should collect Value Added Tax (TAX) is yet to settle, inability to invest at home, rising insecurity, high migration rate and exportation among others have been identified as possible reasons for [low collection of VAT by states in the southeast region](#). Sources indicated that there are high investments by people of the zone outside the region, adding that over 70 per cent of Igbo investments are located away from the region, while its people live in the regions where their investments are situated.
- ✓ **Ease of Doing Business:** The Managing Director of the [Nigerian Ports Authority](#) (NPA), Mohammed Bello Koko, has said the NPA is poised to deepen partnership with Lagos State Government to resolve the lingering traffic gridlock and promote business-friendliness of Lagos Ports.