

Fixed Income and Money Market

FGN Bond Market

The FGN bond market closed on a bearish note yesterday, with selling interests seen mostly on mid-term maturities, albeit slightly offset by buying interests on the short-term maturities. Thus, the average benchmark yield rose by 4bps (basis points) to settle at 10.98%.

Nigerian Treasury Bill (NTB)

The treasury bills market registered a quiet session yesterday with low trading activities seen across maturities. The market is expected to follow the same trend today also as investors awaits tomorrow's PMA Auction. The average benchmark yield remained unchanged at 3.38%.

FGN Eurobond Market

FG Eurobond market registered a bearish session yesterday as selloffs seen across maturities. The average yield soared by 23bps to close at 8.49%

Money Market

In the absence of any significant inflow yesterday, the system liquidity remained relatively low in the face of increasing demand. Thus, the Open Buyback (OBB) and Overnight (O/N) rate advanced by 192bps and 200bps to close at 6.76% and 8.25%, respectively.

Foreign Exchange Market

At the CBN's Investors and Exporters Window yesterday, Naira depreciated against the US dollar as exchange rate rose by 33 kobo to settle at N417.00/\$1. Nigeria's foreign reserve grew by \$12.1 million on Friday, last week, to settle at \$39.660 billion.

Oil Market

- Oil prices fell about 4% yesterday, with Brent crude tumbling below \$100 a barrel on worries that the COVID-19 pandemic will cut demand in China and as International Energy Agency (IEA) countries plan to release record volumes of oil from strategic stocks. As of 7:50am, this morning, the Brent crude rebound above \$100 mark as the market gained \$2.96 to trade at \$101.40.
- In a move that could further worsen the global oil supply crisis, the European Union's (EU) executive is drafting proposals for an embargo of Russian oil, although there was still no agreement to ban Russian crude. The Organization of the Petroleum Exporting Countries (OPEC) advised the EU that sanctions on Russia could create one of the worst-ever oil supply shocks and it would be impossible to replace those volumes. OPEC signalled that it does not have the capacity to replace Russia's output if it is ban.
- On the other news, according to OilPrice, Russia's crude oil shipments rebounded in the first week of April to the highest level so far this year, with Russia's Q1 trade surplus hitting record levels as the prices of oil and gas continue to be elevated. While it has been noted that large Asian buyers such as India and China continue to import oil and gas from Russia, so does the EU. Russia expects to earn \$9.6 billion more in April from oil and gas than it did in March.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.92%	4.87%	-0.05
^16.29 17-MAR-2027	10.76%	10.75%	-0.01
^12.15 18-JUL-2034	12.15%	12.29%	+0.14

Nigerian Treasury Bills Yields

14-JUL-2022 (94 days)	2.90%	2.90%	0.00
13-OCT-2022 (185 days)	3.22%	3.22%	0.00
9-MAR-2023 (335 days)	4.42%	4.42%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.93%	5.05%	+0.12
6.50 NOV 28, 2027	7.83%	7.99%	+0.16
7.875 16-FEB-2032	8.96%	9.18%	+0.22

Forex Spot rates

I&E Market	416.67	417.00	+0.33
SMIS Market	430.00	430.00	0.00
Parallel Market	587.00	610.00	23.00

Forex Forward rates

1 month	418.00	418.00	0.00
6 months	432.61	432.61	0.00
12 months	448.85	448.85	0.00

Other Key Indices

Indicators	Current	Change
OBB	7.67%	+192bps
O/N	8.25%	+200bps
System liquidity (op. bal)	N161.85bn	+N44.16bn
Foreign reserve	\$39.66bn	\$12.10mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$101.40	+\$2.96
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- Russia-Ukraine Crisis: Europe Targets Nigeria for More Gas:-** The European Union (EU) yesterday continued to mount pressure on [Nigeria to ramp up its gas supply to Europe](#), with a visit to the Group Managing Director of the Nigerian National Petroleum Company (NNPC) Limited, Mr. Mele Kyari. The visit to the GMD came days after EU ambassadors paid a similar visit to the Minister of State, Petroleum Resources, Mr. Timipre Sylva, apparently in a bid to mount pressure on the country to raise its gas production.
- National Grid:-** The collapse of [Nigeria's electricity grid occurred twice – on Friday and Saturday last week](#) despite concerted efforts to stabilise the power system, a Federal Government report seen in Abuja on Monday showed. Data in the report, which was obtained from the Federal Ministry of Power, showed that the quantum of electricity on the grid crashed from over 3,000 megawatts on Friday, April 8, 2022, to as low as 10MW around 21.00 hours same day.
- MTN Get Final Approval to Operate Payment Service Bank:-** Telecommunications giant, [MTN Nigeria has been granted final approval to operate mobile money \(MoMo\) payment service bank \(PSB\) licence in Nigeria](#). MTN announced, yesterday, that it has been given permission to operate the bank by the Central Bank of Nigeria (CBN), and that it would soon offer financial services under the licence requirements. MTN Group had first announced in November 2021 its move towards getting final approval of the licence, saying it was subject to the fulfilment of certain conditions as stipulated by the CBN.