

Fixed Income and Money Market

FGN Bond Market

The FGN Bond market registered a mixed session last week with interests seen on selected instruments across board, weighing down the overall performance of the market. Thus, the average benchmark yield plunged by 17bps to close at 10.39%.

Nigerian Treasury Bill (NTB)

Treasury bills market recorded a quiet section throughout last week with interests seen on selected instruments. The average benchmark yield remained unchanged at 3.51%

The DMO sold N236.53 billion worth of notes against N94.00 billion offered at its NTB auction today. The 91-day, 182-day & 364-day notes were allotted at 1.75%, 3.28%, and 4.10%, respectively. Compared to the previous auction, rates on the 91-day, 182-day, and 364-day notes fell by 49bps, 2bps, and 25bps, respectively.

FGN Eurobond Market

The market remained highly volatile last week largely driven by ongoing Russia-Ukraine Crisis. The FGN Eurobond Market was relatively bullish most part of last week, before it recorded a bearish session on Friday. Cumulatively, the average benchmark yield declined by 23bps to settle at 8.20%.

Money Market

System liquidity registered both inflow and outflow of funds last week on the back of OMO repayment and Primary Market Auction Settlement, bringing down the interbank rates during the week. However, on Friday, while the rate on Open Buyback (OBB) transactions remained constant at 4.50%, the rate on Overnight transaction inched up slightly by 17bps to close at 5.00%.

Foreign Exchange Market

The value of Naira appreciated against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate declined by 17 kobo to close at \$1/N416.50. On the other hand, Nigeria's foreign reserve remained unchanged at \$39.77 billion.

Oil Market

- ❑ Oil prices has shed as much as \$3 a barrel early today, extending last week's decline as diplomatic efforts to end the war in Ukraine were stepped up and markets braced for higher U.S. rates. As of 8:00 am this morning, the Brent Crude has lost \$2.98 to trade at \$109.70
- ❑ According to Standard Chartered, the continuing consumer reluctance to buy from Russia and shortages of capital, equipment, and technology will impact Russian oil output. Russia's inability to market its oil is likely to create a significant supply deficit. Thus, making OPEC the only feasible alternative mean to bridge the big supply deficit.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	6.41%	4.95%	-1.46
^16.29 17-MAR-2027	9.94%	9.94%	0.00
^12.15 18-JUL-2034	11.40%	11.40%	0.00

Nigerian Treasury Bills Yields

9-JUN-2022 (90 days)	3.27%	3.27%	0.00
8-SEP-2022 (181 days)	3.54%	3.54%	0.00
9-FEB-2023 (335 days)	3.99%	3.99%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.96%	4.98%	+0.02
6.50 NOV 28, 2027	7.57%	7.60%	+0.03
7.875 16-FEB-2032	8.91%	8.92%	+0.01

Forex Spot rates

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

Forex Forward rates

1 month	418.47	418.50	+0.03
6 months	433.31	433.31	0.00
12 months	448.76	448.86	+0.10

Other Key Indices

Indicators	Current	Change
OBB	4.50%	+50bps
O/N	5.00%	00bps
System liquidity (op. bal)	N126.50bn	+N169.35bn
Foreign reserve	\$39.77bn	\$00.00mn
Nig. Crude output	1.398m bpd	+81,000bpd
Brent Crude	\$109.70	-\$2.98
FAAC Allocation	N574.66bn	-N125bn

Major Business Headlines

- ✓ **Debt Servicing:** As the federal government continue its borrowing spree and debt servicing constituting a major threat to Nigeria's economy, it has emerged that the Central Bank of Nigeria (CBN) [spent \\$13.1billion in 11 years](#) to settle Nigeria's foreign debt obligations. The international payment data released by the CBN showed that from 2011 to 2021, the amount paid to the World Bank, International Monetary Fund (IMF), Exim Bank of China, among others for debt service and payments have continued to increase.
- ✓ **Export Promotion:** The Nigerian Ports Authority has flagged off the [first non-oil export processing terminal](#), situated in Ibeshe-Ikorodu, Lagos State. The Managing Director of NPA, Mohammed Bello-Koko, at the ceremony on Friday, said that the facility would enhance efforts to diversify the economy and reduce dependence on oil exports
- ✓ **Lekki Seaport:** The Lekki Deep Seaport in Lagos Free Trade Zone is going add about \$360bn to Nigeria's Gross Domestic Product within 45 years, the Federal Government announced on Sunday. The Minister of Transportation, Rotimi Amaechi, who announced this after inspecting the seaport, also stated that the facility would begin commercial [operations in September this year](#). He said the private sector-funded seaport was being constructed in accordance with the time schedule, stressing that in three months' time the facility would have cranes.