

Fixed Income and Money Market

FGN Bond Market

The FGN Bond market was mostly quiet yesterday with mixed activities seen on short- and long-term instruments. The average benchmark yield remained unchanged at 10.41%.

Nigerian Treasury Bill (NTB)

Treasury bills market closed on a bullish note yesterday on the account of insistent demands on selected bills. The average benchmark yield nosedived by 22 basis points (bps) to close at 3.34%.

The DMO sold N172.61 billion worth of notes against N58.03 billion offered at its NTB auction yesterday. The 91-day, 182-day & 364-day notes were allotted at 1.74%, 3.00%, and 4.00%, respectively. Compared to the previous auction, rates on the 91-day, 182-day, and 364-day notes declined by 1bp, 28bps, and 10bps, respectively

FGN Eurobond Market

The market closed relatively bullish yesterday as US Fed raised its benchmark interest rate by 25 bps in an effort to curb the rising inflation rate. With buying seen across most of the maturities, the average benchmark yield fell by 19bps to close at 7.99%

Money Market

Despite the improved system liquidity, the rate on Open Buyback (OBB) and Overnight (O/N) transactions inched up slightly by 8bps and 17bps to settle at 4.75% and 5.17% respectively.

Foreign Exchange Market

The value of Naira remained constant against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate closed at \$1/N416.50 for the third consecutive day. Nigeria's foreign reserve declined further by \$7.843 million on Monday, this week, to settle at \$39.70 billion.

Oil Market

Despite no significant change in key fundamentals, the oil prices trades below \$100 amidst profit taking and market repositioning after three weeks of aggressive rally. As of 8:00 am this morning, the Brent Crude gained \$1.65 to trade at \$99.67 in response to supply crisis warning from International Energy Agency (IEA).

The International Energy Agency said Wednesday, that Three million barrels per day of Russian oil output is at risk beginning in April as sanctions hit and buyers shun the nation's exports. "The prospect of large-scale disruptions to Russian oil production is threatening to create a global oil supply shock," the Paris-based firm said in its monthly oil report, adding that this could ultimately be the "biggest supply crisis in decades."

US Interest Rate

According to CNBC report, The Federal Reserve on Wednesday approved its first interest rate increase in more than three years, an incremental salvo to address spiralling inflation without torpedoing economic growth. After keeping its benchmark interest rate anchored near zero since the beginning of the Covid pandemic, the policymaking Federal Open Market Committee (FOMC) said it will raise rates by 25 basis points, bringing the rate now into a range of 0.25%-0.5%.

FOMC members also indicated an aggressive path ahead, with rate rises coming at each of the remaining six meetings in 2022.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.88%	4.86%	-0.02
^16.29 17-MAR-2027	9.94%	9.94%	0.00
^12.15 18-JUL-2034	11.70%	11.70%	0.00

Nigerian Treasury Bills Yields

9-JUN-2022 (85 days)	3.27%	3.27%	0.00
8-SEP-2022 (176 days)	3.54%	3.54%	0.00
9-MAR-2023 (358 days)	3.95%	4.02%	-0.07

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.94%	4.87%	-0.07
6.50 NOV 28, 2027	7.57%	7.37%	-0.20
7.875 16-FEB-2032	8.87%	8.60%	-0.27

Forex Spot rates

I&E Market	416.50	416.50	0.00
SMIS Market	430.00	430.00	0.00
Parallel Market	577.00	577.00	0.00

Forex Forward rates

1 month	418.32	418.32	0.00
6 months	433.30	433.05	-0.25
12 months	449.16	449.98	+0.82

Other Key Indices

Indicators	Current	Change
OBB	4.75%	8bps
O/N	5.17%	17bps
System liquidity (op. bal)	N428.08bn	+N248.32bn
Foreign reserve	\$39.70bn	\$7.84mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$99.67	+\$1.65
FAAC Allocation	N574.66bn	-N125bn

Major Business Headlines

Power Sector: The Nigerian Electricity Regulatory Commission on Wednesday declared that [subsidy on power amounting to about N600bn](#) during some period had now been stopped by the Federal Government. It also revealed that electricity tariffs were raised in February this year, and was quick to, however, state that the tariff payable by some customers in the franchise area of one of the distribution companies was reduced.

Debt Servicing Suspension: The World Bank says Nigeria could have saved [about \\$342.1m from January to December 2021](#) through the debt service suspension initiative. It disclosed this in a brief on Debt Service Suspension Initiative updated this month by the bank on its website. Under the DSSI, official creditors commit to suspending payments of all principal and interest within a stipulated period.

Oil Sector: Soaring oil and gas prices still present opportunities in the oil and gas sector despite the global energy transition. The former Minister of State for Petroleum Resources, Dr. Emmanuel Ibe Kachikwu, gave Nigerians and stakeholders this admonition during the just concluded 2022 [Nigerian International Energy Summit](#) (NIES) in Abuja. According to him, that the country needs to get optimal accruals from oil in the next 15 years, is to add value to the black gold.