

### Fixed Income and Money Market

#### FGN Bond Market

The FGN Bond market was mostly quiet yesterday with most activities concentrated on mid-term instruments. The average benchmark yield soared by 5 basis points (bps) to close at 10.46%.

#### Nigerian Treasury Bill (NTB)

Treasury bills market registered a quiet session yesterday with insistent demands on selected bills. The average benchmark yield remained unchanged at 3.34%.

#### FGN Eurobond Market

The market closed in the bearish territory as investors digest and act on the outcome of the US Fed meeting. The market experienced selloffs across most maturities. The average benchmark yield increased by 6bps to close at 8.05%

#### Money Market

The market registered a net outflow of funds yesterday on the back of Primary Market Repayment of N58.04billion and Primary Market Auction Settlement of N172.61billion, leading to tightened system liquidity. However, interbank rate moved in opposing direction as Open Buyback (OBB) rate declined by 8bps to 4.75%, while Overnight (O/N) rate inched up slightly by 8bps to settle at 5.25%.

#### Foreign Exchange Market

The value of Naira depreciated against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate increased fractionally by 17 kobo to close at \$1/N416.67. Nigeria's foreign reserve declined slightly by \$1.78 million on Wednesday, this week, to settle at \$39.70 billion.

#### Oil Market

Oil climbed back above \$100 a barrel as the Kremlin cast doubts on the progress of current peace talks with Ukraine and investors weighed the absence of Russian barrels in a tight market. As of 8:00 am this morning, the Brent Crude gained \$2.41 to trade at \$109.1 amidst tight supply.

The war has severely disrupted Russian oil flows, and the International Energy Agency predicted output from the key OPEC+ member will decline by about a quarter in April. While Bloomberg reported that, Saudi Arabia's Crown Prince Mohammed bin Salman told the Japanese Prime Minister that the kingdom is keen to maintain the oil market's balance and stability.

#### Bank of England's MPC meeting outcome

- At the end of its meeting yesterday, the Bank of England has responded to the likelihood that the war in Ukraine will push inflation to around 10% this year by raising interest rates back to the pre-pandemic level of 0.75%.
- According to the Guardian, Threadneedle Street's monetary policy committee (MPC) voted 8-1 to increase borrowing costs by 0.25 percentage points – the first time the Bank has raised rates at three successive meetings in more than two decades.
- Despite strong inflationary pressure, the Bank adopted a less aggressive tone about future rate increases than the US Federal Reserve, which is penciling in a further six increases in borrowing costs this year. The MPC said a further "modest" tightening of policy could be needed over the coming months, depending on the medium-term outlook for inflation.

### FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.86%	4.53%	-0.33
^16.29 17-MAR-2027	9.94%	10.16%	+0.22
^12.15 18-JUL-2034	11.70%	11.70%	0.00

### Nigerian Treasury Bills Yields

9-JUN-2022 (84 days)	3.27%	1.88%	-1.39
8-SEP-2022 (175 days)	3.54%	3.54%	0.00
9-MAR-2023 (357 days)	4.02%	4.02%	0.00

### Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.87%	4.88%	+0.01
6.50 NOV 28, 2027	7.37%	7.50%	+0.13
7.875 16-FEB-2032	8.60%	8.73%	+0.13

### Forex Spot rates

I&E Market	416.50	416.67	0.17
SMIS Market	430.00	430.00	0.00
Parallel Market	577.00	577.00	0.00

### Forex Forward rates

1 month	418.32	418.25	-0.07
6 months	433.05	433.07	-0.02
12 months	449.98	449.00	-0.98

### Other Key Indices

Indicators	Current	Change
OBB	4.75%	-8bps
O/N	5.25%	+8bps
System liquidity (op. bal)	N407.56bn	+N20.52bn
Foreign reserve	\$39.70bn	\$1.78mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$109.10	+\$2.41
FAAC Allocation	N574.66bn	-N125bn

### Major Business Headlines

- Lagos-Abidjan Highway Corridor:** The President of the African Development Bank, Dr Akinwumi Adesina, announced that the bank has secured [\\$15.6bn for the construction of the Lagos-Abidjan highway corridor](#), which would ease transportation across West Africa. The AfDB president said, "The biggest deal for the boardroom is the \$15.6bn deal for the Lagos-Abidjan highway corridor. The 46-lane highway corridor will connect Lagos, Cotonou, Lome, Accra and Abidjan."
- Russia - Ukraine Crisis & New Trade Policy:** Three weeks after the war between Russia and Ukraine began, the Federal Government says it is working on a [new trade policy](#) with nations under the former Union of Soviet Socialist Republic, with whom it shares important mutual trade relations. The policy is meant to immune the Nigerian economy from the numerous sanctions from Western countries currently strangling Russia.
- Eurobond Issuance:** Nigeria has raised [\\$1.250 billion seven-year Eurobond](#) in the International Capital Market (ICM). A statement yesterday by the Debt Management Office (DMO) said that the success "makes Nigeria the first African country to access the ICM in 2022". The DMO had earlier disclosed that Nigeria's total public debt rose from N32.915 trillion (\$86.392 billion) to N39.556 trillion (\$95.779 billion) in December 2021.