

### Fixed Income and Money Market

#### FGN Bond Market

The FGN bond market was bearish throughout last week, with most selling interests concentrated on short- and mid-term maturities. Week-on-week, the average benchmark yield surged by 8bps (basis points) to settle at 11.02%.

#### Nigerian Treasury Bill (NTB)

The treasury bills market registered a quiet session throughout last week with minimal trading activities seen across maturities. The average benchmark yield declined by 1 bp to close at 3.37%.

#### FGN Eurobond Market

FG Eurobond market was mostly bearish last week as a result of increasing global inflation and heightening Russia-Ukraine crisis. The average yield soared by 24bps to close at 8.50% as the market remained highly volatile.

#### Money Market

In the interbank space, the system liquidity remained somewhat elevated throughout last week supported by OMO repayment and Primary Market repayment. However, Primary Market Auction Settlement on Thursday pushed the interbank rates into the double digits region. The Open Buyback (OBB) and Overnight (O/N) rate advanced by 558bps and 542bps, on Thursday last week, to settle at 10.83% and 11.17%, respectively.

#### Foreign Exchange Market

At the CBN's Investors and Exporters Window on Thursday, Naira depreciated slightly against the US dollar as exchange rate increased by 83 kobo to settle at N417.50/\$1. Nigeria's foreign reserve stood at \$39.71 billion at the end of the week.

#### Oil Market

- According to Reuters, Oil prices rose earlier today as investors fretted over tight global supply after Libya was forced to halt some exports and as factories in Shanghai prepared to reopen post a COVID-19 shutdown, easing some demand worries. As of 8.00 am, this morning, the Brent crude gained by 9 cents to trade at \$113.30.
- "Outages in Libya deepened concern over tight global supply as the Ukraine crisis dragged on, offsetting concern over slowing Chinese demand," said Ajay Kedia, director at energy consultancy Kedia Commodities. Also, the latest supply hit came just as fuel demand in China, the world's largest oil importer, was expected to pick up as manufacturing plants prepared to reopen in Shanghai.
- On the other news, OilPrice reported that German business and unions are joining forces in opposition, warning that an immediate Russian natural gas ban would have a severe negative impact on industry and jobs as Europe continues to consider a ban on Russian energy exports. Germany boasts the largest economy in the 27-nation European Union and resisted a ban on Russian energy imports, opting instead for a strategy that would seek to gradually phase out Russian oil by year-end 2022 and Russian gas imports within two years.

#### FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	5.12%	5.10%	-0.02
^16.29 17-MAR-2027	10.75%	10.74%	-0.01
^12.15 18-JUL-2034	12.30%	12.18%	-0.12

#### Nigerian Treasury Bills Yields

14-JUL-2022 (91 days)	2.90%	2.90%	0.00
13-OCT-2022 (182 days)	3.22%	3.22%	0.00
9-MAR-2023 (329 days)	4.37%	4.37%	0.00

#### Nigerian Eurobond Yields

6.375 JUL 12, 2023	5.04%	5.05%	+0.01
6.50 NOV 28, 2027	8.09%	8.07%	-0.02
7.875 16-FEB-2032	9.30%	9.31%	+0.01

#### Forex Spot rates

I&E Market	416.67	417.50	+0.83
SMIS Market	430.00	430.00	0.00
Parallel Market	587.00	587.00	0.00

#### Forex Forward rates

1 month	418.51	418.12	-0.39
6 months	434.96	432.47	-2.49
12 months	455.35	448.01	-7.34

#### Other Key Indices

Indicators	Current	Change
OBB	10.83%	+558bps
O/N	11.17%	+542bps
System liquidity (op. bal)	N272.31bn	+N120.1bn
Foreign reserve	\$39.71bn	\$0.00mn
Nig. Crude output	1.234m bpd	-30,000bpd
Brent Crude	\$107.60	-\$1.14
FAAC Allocation	N695.03bn	+N120.37bn

#### Major Business Headlines

- Concerns as 60% of Low-Income Economies in Debt Crisis:** Malpass stated this during a pre-event media briefing, saying he looked forward to discussing solutions with key stakeholders during the Spring Meetings, which began yesterday. [The World Bank chief listed the likelihood of interest hikes and rising prices of essentials](#) such as energy, food and fertilizer as a major challenge facing the global community with hard impacts on the developing countries.
- Gas Export:** As it is in the crude oil market, so it is in the gas supply space. Nigeria is unable to meet its Organisation of Petroleum Exporting Countries (OPEC) oil production quota. The country also appears helpless in its [seemingly pretentious ambition to supply more gas to Europe on the back of the Russian-Ukraine war](#). The heart of the matter is that Europe, mostly Western Europe, looks to stop its over-dependence on gas from the Vladimir Putin-led country, which experts presently put at about 40 per cent of total consumption.
- Increase in Oil Firm's Borrowings:** The combined bank borrowing of oil firms operating in the downstream and upstream sectors of the [Nigerian oil and gas industry rose from N5.19tn in January 2021 to N5.68tn in December 2021, showing an increase of N490bn](#). Operators in the downstream, natural gas and crude oil refining sectors had borrowed N290bn from Nigerian banks in 2021 amid the significant rise in global crude oil prices. The debt owed by the oil and gas companies rose to N4.21tn in December from N3.92tn in January 2021, according to the data obtained from the Central Bank of Nigeria.