

Fixed Income and Money Market

FGN Bond Market

The FGN bond market was relatively bullish yesterday, with most interests are concentrated on mid-term instrument. The average benchmark yield was down by 3 basis points (bps) to close at 10.72%.

Nigerian Treasury Bill (NTB)

The treasury bills market was tepid yesterday, with low trading activities seen across maturities. The benchmark yield remained unchanged at 3.30%.

FGN Eurobond Market

The Eurobond market closed on a bullish note yesterday as the market remained highly volatile. The average yield plunged by 10bps to close at 8.02%.

Money Market

The interbank space witnessed the inflow of Primary Market Repayment of \$143.3 billion, and Primary Market Auction (PMA) Settlement of \$174.2 billion. However, the system liquidity remained elevated as primary market repayment outweigh PMA settlement, despite the net outflow, causing the interbank rates to fall. The Open Buyback (OBB) and Overnight (O/N) rate declined by 33bps to close at 4.50% and 5.00%.

Foreign Exchange Market

At US dollar at the CBN's Investors and Exporters Window yesterday, Naira appreciated against the US dollar as the exchange rate declined by 83 kobo to settle at N416.83/\$1. Nigeria's foreign reserve surged by \$2.435 billion on Wednesday, this week, to close at \$39.553 billion

Oil Market

- At the end of its monthly meeting yesterday, Organisation Petroleum Exporting Countries and its allies, OPEC+, stick to its strategy of gradually increasing crude oil supply as the cartel agreed to raise its output targets by 432,000 barrels per day from May 1. This is coming during the period when there is sustained pressure from top consumers calling for the group to increase supply to cool soaring oil prices and aid the economic recovery.
- Brent crude fell more than \$5 to close just above \$100 yesterday as President Joe Biden announced the largest ever release from the U.S. Strategic Petroleum Reserve and called on oil companies to increase drilling to boost supply. As of 7.50 am, this morning, the price of Brent crude declined by 47 cents to trade at \$104.20 as the market remained volatile.
- OPEC yesterday increased Nigeria's oil production quota from the 1.735 million barrels per day target approved in April 2022 to a new target of 1.753 million barrels per day for May 2022, despite its inability to meet the April quota as the country continues to lose its output to oil theft. Nigeria's daily output still stands at an average of 1.258 million bpd.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	5.08%	5.07%	-0.01
^16.29 17-MAR-2027	10.33%	10.32%	-0.01
^12.15 18-JUL-2034	11.67%	11.52%	-0.15

Nigerian Treasury Bills Yields

30-JUN-2022 (91 days)	2.49%	2.49%	0.00
29-SEP-2022 (182 days)	3.15%	3.15%	0.00
9-MAR-2023 (347 days)	4.32%	4.32%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.88%	4.76%	-0.12
6.50 NOV 28, 2027	7.72%	7.58%	-0.14
7.875 16-FEB-2032	8.86%	8.67%	-0.19

Forex Spot rates

I&E Market	417.00	416.17	0.83
SMIS Market	430.00	430.00	0.00
Parallel Market	590.00	587.00	-3.00

Forex Forward rates

1 month	418.00	418.09	+0.09
6 months	433.17	432.94	-0.23
12 months	448.92	448.52	-0.40

Other Key Indices

Indicators	Current	Change
OBB	4.50%	-33bps
O/N	5.00%	-33bps
System liquidity (op. bal)	N289.00bn	-N62.96bn
Foreign reserve	\$39.55bn	+\$20.1mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$104.20	-\$0.47
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- Domestic Gas Supply:** [About 174 million people in Nigeria](#) lack access to the use of Liquefied Petroleum Gas, popularly called cooking gas, the Federal Government stated on Thursday. It said this was because of the high level of energy poverty in Nigeria, stressing that the promoters of global energy transition must adequately consider factors such as energy security and economic development.
- Ajaokuta Steel Project:** The Federal Government, yesterday, blamed the outbreak of COVID-19, and now the Russian/Ukrainian conflict, for its inability to meet its earlier target of [delivering the Ajaokuta Steel Rolling Mill project this year](#). The Minister of Mines and Steel, Olamilekan Adegbite, disclosed this during the weekly Ministerial Briefing organised by the Presidential Communication Team, held at the Presidential Villa, Abuja.
- Nigeria's National Carrier:** United Arab Emirates (UAE) national carrier, Emirates Airlines, and its Qatari counterpart, Qatar Airways, have rallied behind Nigeria's new national carrier project for [successful take-off next quarter](#). While Qatar Airways is among legacy carriers pushing for technical partnership, Emirates has only pledged to support Nigeria if invited by the Federal Government.