

Fixed Income and Money Market

FGN Bond Market

The FGN bond market was mostly bullish yesterday, with buying interests seen mostly on short- and mid-term maturities. However, the bullish run was partly offset by an aggressive selling in "February 2028 Maturity", cushioning the overall effect on the average benchmark yield as the yield declined fractionally by 1bps (basis points) to close at 11.01%

Nigerian Treasury Bill (NTB)

The treasury bills market was tepid yesterday with low trading activities seen across board. The average benchmark yield remained unchanged at 3.37%.

FGN Eurobond Market

As Russia-Ukraine crisis took a turn for the worse this weekend and rising inflation slows down global economic growth, the FGN Eurobond closed bearish as the uncertainty in the market heightened. The Eurobond experienced selloffs yesterday across maturities, leading to increase in the average yield by 13bps to close at 8.63%.

Money Market

In the interbank space, the system liquidity was moderately elevated yesterday on the back of Repurchase Agreement (Repo) of N60 billion, leading to fall in interbank rates. The Open Buyback (OBB) and Overnight (O/N) rate declined by 283bps and 234bps to settle at 8.00% and 8.83%, respectively.

Foreign Exchange Market

At the CBN's Investors and Exporters Window yesterday, Naira appreciated slightly against the US dollar as exchange rate decreased by 50 kobo to settle at N417.00/\$1. Nigeria's foreign reserve rose by \$12.1 million and \$9.6 million on Wednesday and Thursday to stand at \$39.74 billion.

Oil Market

- **Reuters:** Oil prices were down about 5% in volatile trading yesterday on demand concerns after the International Monetary Fund (IMF) cut its economic growth forecasts and warned of higher inflation. Prices declined despite lower output from OPEC+, which produced 1.45 million barrels per day (bpd) below its targets in March, as Russian output began to decrease following sanctions imposed by the West over its invasion of Ukraine. Brent crude, the global benchmark, fell \$5.91 to settle at \$107.25 a barrel, while U.S. West Texas Intermediate dropped \$5.65 to settle at \$102.56 a barrel.
- However, Oil prices rebounded earlier this morning from the sharp losses in the previous session as concerns about fighter supplies from Russia and Libya dominated, while industry data showed a drop in U.S. crude inventories last week. As of 8.00 am, this morning, the Brent crude gained by \$1.08 to trade at \$108.30.
- In the other news, Bloomberg data showed that Russia's crude oil shipments decline by one-quarter in one week, with the data showing that only 30 Russian tankers carried under 22 million barrels of oil to ports on the Black Sea, the Baltic Sea and the Arctic Ocean.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	5.10%	5.01%	-0.09
^16.29 17-MAR-2027	10.74%	10.73%	-0.01
^12.15 18-JUL-2034	12.18%	12.18%	0.00

Nigerian Treasury Bills Yields

14-JUL-2022 (86 days)	2.90%	2.89%	-0.01
13-OCT-2022 (177 days)	3.22%	3.21%	-0.01
9-MAR-2023 (324 days)	4.37%	4.36%	-0.01

Nigerian Eurobond Yields

6.375 JUL 12, 2023	5.05%	5.13%	+0.08
6.50 NOV 28, 2027	8.07%	8.17%	+0.10
7.875 16-FEB-2032	9.31%	9.42%	+0.11

Forex Spot rates

I&E Market	417.50	417.00	-0.50
SMIS Market	430.00	430.00	0.00
Parallel Market	587.00	590.00	+3.00

Forex Forward rates

1 month	418.12	418.29	+0.17
6 months	432.47	432.47	0.00
12 months	448.01	449.53	+1.52

Other Key Indices

Indicators	Current	Change
OBB	8.00%	-283bps
O/N	8.83%	-234bps
System liquidity (op. bal)	N119.35bn	-N152.96bn
Foreign reserve	\$39.74bn	+\$9.69mn
Nig. Crude output	1.234m bpd	-30,000bpd
Brent Crude	\$108.30	+\$1.08
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- **IMF upgrades Nigeria's expected growth rate to 3.4%:** The International Monetary Fund (IMF), yesterday, raised Nigeria's growth projection for the year by 0.7 percentage points on account of rising oil prices. In its April's World Economic Outlook, [the IMF projected the country's output to grow at 3.4 per cent this year as against 2.7 per cent forecast in January](#). It also raised the 2023 growth prospect by 0.4 percentage points to 3.1 per cent.
- **National Grid:** The latest figures on Nigeria's power grid performance released on Tuesday showed that the quantum of electricity generated on the grid had continued to fluctuate, [as it fell by 903 megawatts on Monday, April 18, 2022](#). Nigeria's electricity grid has been characterised by some sort of instability lately, witnessing about four different grid collapses in less than two months. A document on the country's 24-hour grid performance, obtained from the Federal Ministry of Power in Abuja on Tuesday, showed that the fluctuation of electricity generated on the grid had yet to abate.
- **Banks lend 2.9 trillion to Customers in 12 months:** Between December 2020 and December 2021, the combined loan portfolio of [10 Deposit Money Banks in Nigeria rose by N2.9tn, data collated from their audited financial statements show](#). The banks are Stanbic IBTC, Fidelity Bank Plc, Sterling Bank, Wema Bank, First City Monument Bank, Access Bank Plc, Guaranty Trust Bank Plc, United Bank for Africa Plc, Zenith Bank Plc, and Union Bank Plc.