

Fixed Income and Money Market

FGN Bond Market

The FGN Bond Market closed relatively bearish yesterday as aggressive selling on March 2024 maturity drove up the average benchmark yield. The average benchmark yield increased by 4bps to close at 10.64%.

Nigerian Treasury Bill (NTB)

The treasury bills market closed on a quiet note yesterday with low activities seen across maturities. The average benchmark remained unchanged at 3.22%.

FGN Eurobond Market

After a hushed session on Tuesday, the Eurobond market closed on a bearish note, as investors keep a close eye on developments in Ukraine, and key meetings of NATO, EU and G-7 leaders in Brussel today. The market was also highly volatile yesterday as more sanctions are expected to be imposed on Russia today, leading to selloffs across maturities. The average yield surged by 26bps to close at 8.45%.

Money Market

System liquidity was weakened, yesterday, by an outflow of N297 billion for the settlement of Primary Market Auction, resulting to further uptick in the interbank rates. The Open Buyback (OBB) and Overnight (O/N) soared by 133bps and 100bps to close at 12.33% and 12.67% respectively.

Foreign Exchange Market

Naira maintained a constant value against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate remained unchanged at N417/\$1. The Central bank injected \$33.53 million into the forex market on Tuesday, this week, leading to a fall in Nigerian's foreign reserve to close at \$39.54 billion.

Oil Market

Oil prices jumped 5% to over \$121 a barrel on Wednesday as disruptions to Russian and Kazakh crude exports via the Caspian Pipeline Consortium (CPC) pipeline added to worries over tight global supplies. The consortium has said it will struggle to find spare components for the damaged tanker loading facilities because of the international sanctions imposed against Russia in response to its invasion of Ukraine. Russian Deputy Energy Minister Pavel Sorokin said oil exports through the CPC pipeline may drop by about 1 million barrels daily over the two months it takes to effect repairs, Russia's state-run news agency TASS reported.

However, Crude prices declined in volatile trading earlier today as investors assessed the potential for new supply in the tight markets amid prospects of a new Iran deal. As of 8:05 am, this morning, Brent Crude oil declined by \$1.16 to trade at \$120.40 as supply woes linger.

Bloomberg reported that the Biden administration and European Union are close to a deal aimed at slashing Europe's dependence on Russian energy sources, as the U.S. and its allies seek to further isolate and punish Moscow for the Ukraine war. President Joe Biden's national security adviser, Jake Sullivan, said that an agreement would be announced as soon as Friday. It's intended to ensure supplies of American natural gas and hydrogen for Europe, according to an official familiar with the plans.

FAAC Allocation for February 2022

The Federation Accounts Allocation Committee (FAAC) shared a total sum of N695.033 billion to the three tiers of government, as federation allocation for the month of February 2022, indicating a 20.9% or N120.37 billion increment to the amount distributed for January 2022 (N574.67 billion).

The Finance Ministry director stated that Federal Government received the highest allocation of N239 billion from a total sum of N695.033 billion shared. "From this stated amount, inclusive of Gross Statutory Revenue, Value Added Tax (VAT), Non-Mineral Revenues and Excess Bank Charges. The Federal Government received N236.177 billion, The states received N190.007 billion, the Local Government Councils (LGs) got N140.612 billion, while the oil-producing states received N23.750 billion as derivation (13 per cent of Mineral Revenue)," Oshundun said.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.51%	4.49%	-0.02
^16.29 17-MAR-2027	10.17%	10.17%	0.00
^12.15 18-JUL-2034	11.70%	11.70%	0.00

Nigerian Treasury Bills Yields

9-JUN-2022 (78 days)	1.88%	1.88%	0.00
8-SEP-2022 (169 days)	3.04%	3.04%	0.00
9-MAR-2023 (351 days)	4.02%	4.02%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.86%	5.27%	+0.41
6.50 NOV 28, 2027	7.67%	7.90%	+0.23
7.875 16-FEB-2032	8.87%	9.15%	+0.28

Forex Spot rates

I&E Market	417.00	417.00	0.00
SMIS Market	430.00	430.00	0.00
Parallel Market	585.00	590.00	+5.00

Forex Forward rates

1 month	418.29	418.17	-0.12
6 months	432.98	432.97	-0.01
12 months	449.72	449.72	0.00

Other Key Indices

Indicators	Current	Change
OBB	12.33%	133bps
O/N	12.67%	100bps
System liquidity (op. bal)	N98.07bn	+N40.00bn
Foreign reserve	\$39.54bn	-\$33.53mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$120.40	-\$1.16
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- Linkage of Lekki Port to the national Rail:** The President, Major General Muhammadu Buhari (retd.), has directed the Minister of Transportation, Rotimi Amaechi, to consult and draft a memorandum to the Federal Executive Council as regards [linking the Lekki Deep Seaport facility to the nation's rail network](#). Buhari stated this when he visited the Deep Seaport in Lagos.
- Aviation Sector:** The federal government on Wednesday approved a total of [N92.12 billion for the construction of a second runway](#) at the Nnamdi Azikiwe International Airport, Abuja. The approval came barely 24 hours after the inauguration of the new terminal building at the Murtala Mohammed International Airport (MMIA), Lagos. Minister of Aviation, Senator Hadi Sirika, disclosed this to State House Correspondents after the week's federal executive council (FEC) meeting, presided over by President Muhammadu Buhari at the Presidential Villa, Abuja.
- CBN's MPC members:** The Senate has confirmed the nominations of [seven members of the Monetary Policy Committee of the Central Bank of Nigeria \(CBN\)](#). The confirmation of the nominees followed the consideration of a report by the Committee on Banking, Insurance and Other Financial Institutions. A statement CBN revealed that the report was laid and presented by the Chairman of the Committee, Senator Uba Sani.