

Fixed Income and Money Market

FGN Bond Market

The FGN Bond Market closed relatively bearish yesterday with selling seen mostly on short-and mid-term maturities. The average benchmark yield increased by 6bps to close at 10.70%.

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

The Eurobond market continued its bearish trend yesterday, as the US imposed more sanctions on Russia and its oligarchs on Thursday. The market remained relatively volatile, leading to selloffs across most maturities. The average yield surged by 9bps to close at 8.54%.

Money Market

Despite repo inflow of N171.1 billion yesterday, improving the liquidity in the system, the interbank rates, however, moved in opposing direction. The Open Buyback (OBB) soared by 5bps to closed at 12.38% while Overnight (O/N) declined by 17bps to close at 12.50%.

Foreign Exchange Market

Naira maintained appreciated against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate gained 1 naira to close at N416/\$1. The Central bank injected \$25.52 million into the forex market on Wednesday, this week, leading to a fall in Nigerian's foreign reserve to close at \$39.52 billion.

Oil Market

- Iran plans to boost its crude oil production to 4 million barrels per day (bpd) in the new Persian year that started this week, Mohsen Khojasteh Mehr, chief executive of the National Iranian Oil Company (NIOC), said on Thursday, Iran's Fars News Agency reported. Iranian oil production has slumped since former U.S. President Donald Trump withdrew from the so-called Iranian nuclear deal and imposed sanctions on the Republic's oil exports.
- As of 8:05 am, this morning, Brent Crude oil gained by 26 cent to trade at \$119.3, amid prospects of a new Iran deal and doubtful strong oil demand in China as the country experiences the worst covid outbreak since pandemic
- China is fighting the worst Covid outbreak since 2020, and analysts are considering a revision of their oil demand forecasts as refineries reduce run rates and lockdowns hurt consumption. According to [Bloomberg](#), because of the outbreak and the lockdowns following it, some independent refiners—commonly known as teapots—were forced to resell oil cargos they had ordered. The lockdowns have reduced traffic in some cities as well as air travel, prompting refiners to reduce processing rates, the report also said.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.49%	4.47%	-0.02
^16.29 17-MAR-2027	10.17%	10.26%	+0.09
^12.15 18-JUL-2034	11.70%	11.66%	-0.04

Nigerian Treasury Bills Yields

9-JUN-2022 (77 days)	1.88%	1.88%	0.00
8-SEP-2022 (168 days)	3.04%	3.04%	0.00
9-MAR-2023 (350 days)	4.02%	4.02%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	5.27%	5.29%	+0.02
6.50 NOV 28, 2027	7.90%	8.01%	+0.11
7.875 16-FEB-2032	9.15%	9.27%	+0.12

Forex Spot rates

I&E Market	417.00	416.00	+1.00
SMIS Market	430.00	430.00	0.00
Parallel Market	585.00	590.00	+5.00

Forex Forward rates

1 month	418.17	418.35	+0.18
6 months	432.97	432.88	-0.09
12 months	449.72	448.81	-0.91

Other Key Indices

Indicators	Current	Change
OBB	12.38%	+5bps
O/N	12.50%	-17bps
System liquidity (op. bal)	N94.32bn	-N3.74bn
Foreign reserve	\$39.52bn	-\$25.52mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$119.30	+\$0.26
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- CBN Interventionist Approach** - The state of the Nigerian economy requires the Central Bank of Nigeria (CBN) to [intervene in sectors that can stem unbridled imports](#). The Governor of the apex bank, Godwin Emefiele, who disclosed this yesterday, while declaring open the 32nd seminar for Finance Correspondents and Business Editors in Akure, Ondo State, insisted that the CBN interventions are meant to stabilise the economy. An Economist, Dr Tope Fasua, in his presentation, gave a glimpse of the possible reasons governments are cautious with the adoption of cryptocurrency.
- Capital Importation:** The value of capital importation into Nigeria [fell by 30.78 per cent from \\$9.68bn in 2020 to \\$6.7bn in 2021](#) according to data from the National Bureau of Statistics. In its 'Nigerian Capital Importation' report for the four quarters of 2020 and 2021, the NBS disclosed that total capital importation into the nation was \$9.68bn in 2020 and \$6.7bn in 2021. For the first and second quarter of 2021, the NBS said, "The total value of capital importation into Nigeria declined to \$875.62m in the second quarter of 2021 from \$1.91bn in Q1, 2021."
- Oil Theft:** The Federal Government has warned that it would no longer condone any form of [criminality on the nation's oil and gas facilities and installations](#), saying that crude oil thieves, pipeline vandals and illegal refiners have their days numbered.