

Fixed Income and Money Market

FGN Bond Market

The FGN bond market continued its quiet session yesterday, with most activities seen on short-term maturities. The average benchmark yield declined slightly by 1 basis point (bp) to close at 10.68%.

Nigerian Treasury Bill (NTB)

The treasury bills market was relatively quiet yesterday, with aggressive selling seen on 'January 2023 maturity', driving up the overall increase in the benchmark yield. The average benchmark yield inched up by 3bps to close at 3.27%.

FGN Eurobond Market

The Eurobond market closed on a bullish note yesterday as Russia claimed it would reduce its attacks on Ukraine as delegates from the two countries met for their latest face-to-face peace talks in Istanbul yesterday. The average yield declined by 28bps to close at 8.09%.

Money Market

In the absence of any significant flows, the system liquidity remained elevated yesterday, given the inflow of FAAC allocation at the start of the week. The Open Buyback (OBB) rate remained unchanged at 4.50%, while Overnight (O/N) rate declined slightly by 17bps to close at 4.83%.

Foreign Exchange Market

Naira depreciated further against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate declined by 10 kobo to close at N417.00/\$1. As of yesterday, Nigeria's foreign reserve remained unchanged at \$39.53 billion

Oil Market

- Oil prices ended 2% lower yesterday as Russia promised to scale down its military operation in Northern Ukraine in the latest face-to-face talk held in Istanbul yesterday, sparking hope that the war might finally begin to deescalate. Likewise, The American Petroleum Institute (API) estimated that there was a draw, this week, for crude oil of 3.0 million barrels, compared to analyst predictions of a 1.558-million-barrel draw, catalysing the bearish run in the market yesterday
- As of 7.50am, this morning, the price of Brent crude climbed by \$1.50 to trade at \$111.70 as market participants look forward to Organisation of Petroleum Exporting Countries and its allies, OPEC+ meeting slated to hold tomorrow.
- Already under stress from increasing government interference, China's COVID lockdowns, including but not limited to the closure of Shanghai, are forcing teapot refiners to sell off their April-delivery cargoes, with selling limited to state-owned refiners due to destination restrictions. Increasing lockdowns in China are likely to reduce demand for crude oil for the Asian giant.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.39%	4.37%	-0.02
^16.29 17-MAR-2027	10.26%	10.26%	0.00
^12.15 18-JUL-2034	11.66%	11.66%	0.00

Nigerian Treasury Bills Yields

30-JUN-2022 (93 days)	2.49%	2.49%	0.00
29-SEP-2022 (184 days)	3.15%	3.15%	0.00
9-MAR-2023 (348 days)	4.02%	4.02%	0.00

Nigerian Eurobond Yields

6.375 JUL 12, 2023	5.16%	4.95%	-0.21
6.50 NOV 28, 2027	7.87%	7.68%	-0.19
7.875 16-FEB-2032	9.06%	8.81%	-0.25

Forex Spot rates

I&E Market	416.50	417.00	+0.10
SMIS Market	430.00	430.00	0.00
Parallel Market	590.00	590.00	0.00

Forex Forward rates

1 month	418.21	418.24	+0.03
6 months	432.92	432.88	+0.04
12 months	448.71	448.95	+0.24

Other Key Indices

Indicators	Current	Change
OBB	4.50%	00bps
O/N	4.83%	-17bps
System liquidity (op. bal)	N298.01bn	+N47.55bn
Foreign reserve	\$39.53bn	+\$9.3mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$111.80	-\$0.67
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- Tax System:** President Buhari, expressed concern at Nigeria's current tax system which is characterised by fragmented administration, multiple and sometimes, overlapping taxes, stressing that "In most tax-efficient nations, tax administrative processes and [practices are harmonised within a single system.](#)
- Nigeria Poverty Assessment:** According to the World Bank, the number of poor Nigerians is projected to [hit 95.1 million in 2022.](#) The report read in part, "Poverty reduction had stagnated since 2015." It added, "Poverty reduction in Nigeria appears to have stalled in the last decade, according to both back-casting and survey-to-survey imputation techniques. The best estimates from the back-casting approach suggest that the poverty headcount rate—at the international poverty line—was 42.8 percent in 2010.
- MFS Africa acquires Baxi:** MFS Africa, the largest pan-African digital payments hub, [has completed acquisition of Capricorn Digital Limited,](#) otherwise known as Baxi. The transaction was first announced last November pending the approval of the Central Bank of Nigeria, which has been granted. Baxi is one of Nigeria's largest independent SME-focused electronic payment networks, with over 90,000 agents. It provides a cash-in and cash-out offering as well as value-added services such as account opening, money transfer, bill payment and more to the last mile.