

Fixed Income and Money Market

FGN Bond Market

The FGN bond market closed on a bearish note yesterday, with selloffs seen across most maturities. 'April 2023 Maturity' bore the most weight as the average benchmark yield rose by 7 basis points (bps) to close at 10.75%.

Nigerian Treasury Bill (NTB)

The treasury bills market was relatively bearish yesterday, with most selloffs concentrated on March 2023 maturity, driving up the overall increase in the benchmark yield. The average benchmark yield inched up by 3bps to close at 3.30%.

The DMO sold N174.19 billion worth of notes against N143.29 billion offered at its NTB auction yesterday. The 91-day, 182-day & 364-day notes were allotted at 1.75%, 3.00%, and 4.45%, respectively. Compared to the previous auction, the rate on the 182-day note remained unchanged, while rates on the 91-day and 364-day notes rose by 1bps and 45bps, respectively.

FGN Eurobond Market

The Eurobond market closed mixed yesterday as Russian forces bombarded Kyiv and Chernihiv yesterday, a day after it said it would "drastically reduce" its military assault on the two cities. The average yield surged by 3bps to close at 8.12%.

Money Market

Despite elevated system liquidity, the interbank rates close higher, as the Open Buyback (OBB) and Overnight (O/N) rate rose by 33bps and 50bps to close at 4.83% and 5.33%.

Foreign Exchange Market

Naira's value remained unchanged against the US dollar at the CBN's Investors and Exporters Window yesterday, as the exchange rate remained constant at N417.00/\$1. Nigeria's foreign reserve surged by \$20.01 million and \$1.1 million on Monday and Tuesday to close at \$39.55 billion

Oil Market

Oil prices plunged more than \$4 a barrel on earlier this morning, on news that the United States was considering the release of up to 180 million barrels from its strategic petroleum reserve, the largest in the near 50-year history of the SPR. According to Washington Post, The White House's plan is expected to call for the release of 1 million barrels per day from the nation's Strategic Petroleum Reserve on an ongoing basis for several months as supply crisis lingers.

As of 8:30 am, this morning, the price of Brent crude declined by \$3.96 to trade at \$109.50 as Organisation of Petroleum Exporting Countries and its allies, OPEC+ hold their meeting virtually today.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	4.37%	5.08%	+0.71
^16.29 17-MAR-2027	10.26%	10.33%	+0.07
^12.15 18-JUL-2034	11.66%	11.67%	+0.01

Nigerian Treasury Bills Yields

30-JUN-2022 (92 days)	2.49%	2.49%	0.00
29-SEP-2022 (183 days)	3.15%	3.15%	0.00
9-MAR-2023 (348 days)	4.02%	4.32%	+0.30

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.95%	4.88%	-0.07
6.50 NOV 28, 2027	7.68%	7.72%	+0.04
7.875 16-FEB-2032	8.81%	8.86%	+0.05

Forex Spot rates

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

Forex Forward rates

1 month	418.24	418.00	+0.24
6 months	432.88	433.17	+0.29
12 months	448.95	448.92	-0.03

Other Key Indices

Indicators	Current	Change
OBB	4.83%	+33bps
O/N	5.33%	+50bps
System liquidity (op. bal)	N351.97bn	+N53.88bn
Foreign reserve	\$39.55bn	+\$20.1mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$109..50	-\$3.96
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- **National Broadband Plan:** 31.6 million Nigerians live in areas without telecommunication coverage, according to the Federal Ministry of Communications and Digital Economy. The ministry revealed this in the appendix of its 'Nigerian National Broadband Plan 2020 – 2025' document. According to the ministry, unserved areas are [locations without any service provider coverage](#).
- **Value Added Tax (VAT):** According to the National Bureau of Statistics (NBS), the federal government generated [a total of N563.72 billion from Value Added Tax \(VAT\) in the fourth quarter of last year \(Q4 2021\)](#). This represented a growth of 12.63 per cent compared to the N500.49 billion generated in the preceding quarter. Local payments accounted for N333.29 billion in Q4 2021, while Foreign VAT Payment contributed N103.52 billion. In terms of sectoral contributions, manufacturing, information and communication and mining and quarrying accounted for 30.86 per cent, 18.72 per cent and 9.91 per cent of total VAT, representing the largest contributions for Q4.
- **Rural Electrification Agency:** Following the incessant power outages experienced in many parts of the country, the Rural Electrification Agency (REA) has obtained a total of [\\$561 million to ensure clean, safe, reliable and affordable electricity for Nigerians](#). While \$350 million came from the World Bank, \$200 million was obtained from the African Development Bank (AfDB) whereas an additional \$11 million would be used for the deployment of solar hybrid mini grids and solar home systems.