

Fixed Income and Money Market

FGN Bond Market

The FGN bond market was mostly tepid last week. However, the market ended on the bullish note with most of the interest seen on short- and mid-term instruments. Week-on-week, the average benchmark yield declined by 5 basis points (bps) to close at 10.67%.

Nigerian Treasury Bill (NTB)

The treasury bills market was mostly quiet throughout last week with interests seen on selected maturities. The average benchmark yield rose by 8bps to close at 3.31% on a weekly basis.

FGN Eurobond Market

The Eurobond market closed on a bullish note most part of last week as the market remained volatile and Russia-Ukraine Crisis persists. Week-on-week, the average yield declined by 38bps to close at 8.11%

Money Market

In the interbank space, OMO Auction of N50 billion on Friday weakened the system liquidity, causing the interbank rates to surge. The Open Buyback (OBB) and Overnight (O/N) rate soared by 567 bps to close at 10.17% and 10.67%, respectively.

Foreign Exchange Market

At the CBN's Investors and Exporters Window on Friday, Naira depreciated against the US dollar as the exchange rate rose by 46 kobo to settle at N416.63/\$1. Nigeria's Foreign reserve fell to \$39.547 billion on Thursday, last week, after a deduction of \$6.721million.

Oil Market

- According to Reuters, Oil prices fell at the start of Asian trade on yesterday, Sunday, after the United Arab Emirates and the Iran-aligned Houthi group welcomed a truce that would halt military operations on the Saudi-Yemeni border, alleviating some concerns about potential supply issues. The early losses this week come after oil prices settled down around 13% last week - their biggest weekly falls in two years - when U.S. President Joe Biden announced the largest-ever U.S. oil reserves release. As of 7:50am, this morning, Brent Crude rose by \$1.13 to trade at \$105.5 as supply crisis lingers.
- According to Bloomberg, The U.K. plans to join the U.S. in releasing more oil from its reserves as part of a joint effort to lower prices and reduce reliance on Russian supplies. However, Goldman Sachs research pointed that, a release of oil inventories is not a persistent source of supply for coming years. Such a release would therefore not resolve the structural supply deficit, years in the making
- Given the importance of Russian oil and gas giants, Rosneft and Gazprom, to the energy market of Germany, the country is considering the option of nationalizing the German units of the firms over the concerns that the companies might run into financial distress. According to German Ministry of Economy, Germany fears a shortage of energy supply if those two companies run into difficulties or become technically insolvent as banks are shying away from funding firms connected to Russia.
- According to Reuters' sources, In March, Russia pumped 11.01 million barrels per day (bpd) of crude and condensate, down from 11.08 million bpd it had produced in February.

FGN Bond Yields

Tenor	Open	Close	Change
^12.75 27-APR-2023	5.07%	5.05%	-0.02
^16.29 17-MAR-2027	10.32%	10.32%	0.00
^12.15 18-JUL-2034	11.52%	11.54%	+0.02

Nigerian Treasury Bills Yields

30-JUN-2022 (90 days)	2.49%	2.49%	0.00
29-SEP-2022 (181 days)	3.15%	3.15%	0.00
9-MAR-2023 (346 days)	4.32%	4.48%	-0.16

Nigerian Eurobond Yields

6.375 JUL 12, 2023	4.76%	4.80%	+0.04
6.50 NOV 28, 2027	7.58%	7.73%	+0.15
7.875 16-FEB-2032	8.67%	8.79%	+0.12

Forex Spot rates

I&E Market	416.17	416.63	+0.46
SMIS Market	430.00	430.00	0.00
Parallel Market	590.00	587.00	-3.00

Forex Forward rates

1 month	418.09	418.13	+0.05
6 months	432.94	433.03	+0.09
12 months	448.52	448.18	-0.34

Other Key Indices

Indicators	Current	Change
OBB	10.17%	+567bps
O/N	10.67%	+567bps
System liquidity (op. bal)	N387.94bn	+N98.93bn
Foreign reserve	\$39.547bn	-\$6.721mn
Nig. Crude output	1.258m bpd	-140,000bpd
Brent Crude	\$105.50	+\$1.13
FAAC Allocation	N695.03bn	+N120.37bn

Major Business Headlines

- Dangote Refinery:** - With the completion of a landfall point at the site of the Dangote Petroleum Refinery and Petrochemical firm, the [conglomerate says it is ready to decongest Nigerian roads of petroleum products-laden trucks](#). Edwin said the landfall point dredged in the Atlantic Ocean would allow ships loading crude oil to the refinery to berth and discharge for production. He added that refined products from the refinery would also be loaded in ships at the landfall point for distribution to Warri, Calabar and other Southern states.
- Food Import Deficit:** The total international trade in agricultural goods in the country stood at N3.24tn in 2021, [with the import value exceeding export value by N2.23tn, findings have revealed](#). Despite interventions by the Federal Government to diversify the economy and increase food production in the country, security concerns have driven a lot of farmers out of their livelihood. Figures obtained from the National Bureau of Statistics revealed that while Nigerian farmers exported goods worth N127.2bn in the first quarter of 2021, the country imported N630.2bn goods.
- Diesel Crisis:** Members of the Organised Private Sector (OPS), manufacturers, telecommunication providers, small and medium entrepreneurs and other operators across the economy agreed that the sudden hike in the price of Automotive Gas Fuel (AGO), otherwise known as diesel, [will adversely impact economic growth with possible job losses](#) and increased impoverishment of the people.