

Fixed Income and Money Market

FGN Bond Market

The FGN bond market closed on a bearish note yesterday as the market registered selloffs across short- and mid-term instruments with more aggressive selloffs seen on mid-term maturities. The average benchmark yield rose by 16 basis points (bps) to close at 10.83%.

Nigerian Treasury Bill (NTB)

The treasury bills market recorded a quiet session yesterday with minimal trading activities registered across board. The average benchmark yield remained unchanged at 3.31%.

FGN Eurobond Market

While the peace talk between Russia and Ukraine is yet to materialize into any significant progress, the Eurobond market was relatively bullish yesterday as global financial market remained highly volatile. The average yield declined by 3bps to close at 8.08%

Money Market

In the interbank space yesterday, Repurchase Agreement (Repo) of N20 billion further elevated the liquidity in the system, causing the interbank rates to decline. The Open Buyback (OBB) and Overnight (O/N) rate plummeted by 317bps and 342bps, to close at 7.00% and 7.25%, respectively.

Foreign Exchange Market

At the CBN's Investors and Exporters Window yesterday, Naira maintained its value against the US dollar as the exchange rate remained unchanged at N416.63/\$1. Nigeria's Foreign reserve fell to \$39.538 billion on Friday, last week, after a deduction of \$8.971million.

Oil Market

- Oil jumped by 4% yesterday to close at \$107.54, as mounting civilian deaths in Ukraine increased pressure on European countries, prompting new concerns from market participants. Oil futures further extended gains earlier today as the United States and Europe planned new sanctions to punish Moscow over alleged war crimes by Russian troops in Ukraine, adding to concerns about supply disruptions, while Iran nuclear talks stalled. As of 7:50am, this morning, Brent Crude rose by \$2.01 to trade at \$109.5 as supply crisis lingers.
- According to Bloomberg, Iran said it's close to reaching an agreement with the U.S. over restoring the 2015 nuclear accord after sending its latest proposals to Washington for resolving an impasse over terrorism sanctions, the state-run Islamic Republic News Agency reported. However, Oil gained support yesterday from a pause in talks in Vienna to revive the Iran nuclear deal, which would allow a lifting of sanctions on Iranian oil. Iran yesterday blamed the United States for the halt. Iranian foreign ministry spokesman, Saeed Khatibzadeh, asked that "Washington should make political decision for the deal's revival, adding that his country would "not wait forever".
- Saudi Arabia increased its official selling prices for its flagship crude to the Asian market in May to a fresh record against regional benchmarks, in a move widely expected by traders and refiners. The Saudis hiked the OSP for May for Asia for Arab Light to a record premium of \$9.35 per barrel above the Oman/Dubai benchmark, off which Middle Eastern crude is priced in Asia, compared to the increase of \$4.95 per barrel recorded in April.

FGN Bond Yields

| Tenor | Open | Close | Change |
|--------------------|--------|--------|--------|
| ^12.75 27-APR-2023 | 5.05% | 5.00% | -0.04 |
| ^16.29 17-MAR-2027 | 10.32% | 10.60% | +0.28 |
| ^12.15 18-JUL-2034 | 11.54% | 11.87% | +0.33 |

Nigerian Treasury Bills Yields

| | | | |
|------------------------|-------|-------|------|
| 30-JUN-2022 (87 days) | 2.49% | 2.49% | 0.00 |
| 29-SEP-2022 (178 days) | 3.15% | 3.15% | 0.00 |
| 9-MAR-2023 (339 days) | 4.48% | 4.48% | 0.00 |

Nigerian Eurobond Yields

| | | | |
|--------------------|-------|-------|-------|
| 6.375 JUL 12, 2023 | 4.80% | 4.79% | -0.01 |
| 6.50 NOV 28, 2027 | 7.73% | 7.69% | -0.04 |
| 7.875 16-FEB-2032 | 8.79% | 8.75% | -0.04 |

Forex Spot rates

| | | | |
|-----------------|--------|--------|-------|
| I&E Market | 416.63 | 416.63 | 0.00 |
| SMIS Market | 430.00 | 430.00 | 0.00 |
| Parallel Market | 587.00 | 587.00 | -3.00 |

Forex Forward rates

| | | | |
|-----------|--------|--------|-------|
| 1 month | 418.13 | 418.16 | +0.03 |
| 6 months | 433.03 | 432.29 | -0.74 |
| 12 months | 448.18 | 447.79 | -0.39 |

Other Key Indices

| Indicators | Current | Change |
|----------------------------|------------|-------------|
| OBB | 7.00% | -317bps |
| O/N | 7.25% | -342bps |
| System liquidity (op. bal) | N225.48bn | -N162.46bn |
| Foreign reserve | \$39.538bn | -\$8.971mn |
| Nig. Crude output | 1.258m bpd | -140,000bpd |
| Brent Crude | \$109.50 | +\$2.01 |
| FAAC Allocation | N695.03bn | +N120.37bn |

Major Business Headlines

- Nigeria to leverage Dangote Refinery's crude storage as strategic reserve:** With limited capacity to build reserves via deadweight tonnage of tanker fleets through Very Large Crude Carriers (VLCC), the Federal Government [may leverage the 2.4 billion litre crude storage facility](#) by Dangote Refinery to serve as the country's strategic reserve.
- NIN-SIM Linkages: Over 72.77 million active telecommunication subscribers** have been barred from making calls on their SIMs, following a directive from the Federal Government to telecommunication companies. On Monday, the Federal Government ordered telecommunication companies to enforce compliance with its National Identification Number-Subscriber Identity Module policy by restricting outgoing calls on all unlinked lines as the deadline for the verification expired on March 31.
- Olam-Caraway's Tomato Investment Records First Commercial Harvest:** The 500-hectare Kuda Gangara Integrated Tomato Farm, a multi-million project by Caraway (a member of Olam Group) in Jigawa State, has recorded its first commercial harvest of 40 metric tonnes per hectare, exceeding earlier projections. According to the company, [the yield is also more than four times the average yield in Nigeria](#). In a statement, the company stated that more than 100 hectares have been cultivated out of the total expanse and yields from the first commercial harvest have exceeded the initial projection, which was 30 metric tonnes per hectare.