

# Daily Market Update

...A daily publication of Treasury Unit of Access Bank Plc.

Thursday, 16 December 2021

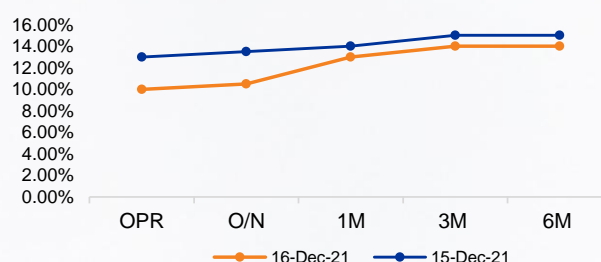
## Money Market

Market liquidity opened the day with a balance ₦170bn a significant improvement from the previous days N97bn levels.

Consequently, OBB and O/N rates declined by 300bps to close the day at 10.00% and 10.50% levels respectively as no OMO auction was announced.

We expect the rates to hover around these levels tomorrow barring any significant funding activity.

### Money Market Rate Movement



## Foreign Exchange

The paucity of funds persisted during today's trading session at the Investors' and Exporters' Window as the demand for funds continues to outweigh the limited supply. Consequently, the Naira lost ₦0.80 against the Dollar to close at \$/₦415.05 while the NAFEX appreciated marginally by ₦0.04 to close at \$/₦414.23

We anticipate rates will remain at similar levels tomorrow and expect the Apex bank to release the results of last week's Retail SMIS auction.

### FX Rates

	Current	Previous	%Δ
Indicative I&E Open	414.13	413.87	0.06
I&E Closing	415.05	414.25	0.19
NAFEX	414.23	414.27	(0.01)

## Treasury Bills

The Treasury Bills secondary market witnessed minimal activities as investors remained reluctant in investing at the current market levels. Towards the end of the trading session, bearish sentiment was noted on some selected NTB maturities, albeit buyers remained on the sidelines.

We expect the bearish sentiment to be sustained in the near term owing to the limited market liquidity as well as the weak investor sentiment

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.69	28-Dec-21	5.50
10-Mar-22	2.98	01-Mar-22	5.28
9-Jun-22	3.67	15-Mar-22	5.43
11-Aug-22	5.36	16-Aug-22	5.33
13-Oct-22	5.00	04-Oct-22	5.30

## BONDS

The FGN market traded on a calm note with minimal activity recorded during the trading session. Local counterparts sought to take profit on their auction winnings however interest was skewed towards the illiquid off-the-run bonds (2029 and 2045) at 12.50% and 12.35% respectively. As a result, yields across board closed the same as opening levels.

We expect to see a bit more activity tomorrow, as buyers and sellers find a middle ground to consummate their trades

FGN Bond Yields	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	7.63	7.64	(0.13)
13.53 23-MAR-2025	10.58	10.58	0.00
16.2884 17-MAR-2027	12.22	12.22	0.00
13.98 23-FEB-2028	12.44	12.44	0.00
12.40 18-MAR-2036	12.91	12.96	(0.39)
16.2499 18-APR-2037	13.06	13.06	0.00
12.98 27-MAR-2050	13.17	13.17	0.00

### Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.40	15.99
Foreign Reserves (Gross \$'Bn )	40.73	40.89

### Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3321	1M	0.10863	WTI	72.31
EUR/USD	1.1306	3M	0.21563	BRENT	74.98
USD/JPY	113.68	6M	0.30150	GOLD	1,797.75
USD/CHF	0.9220	12M	0.51688	SILVER	22.492

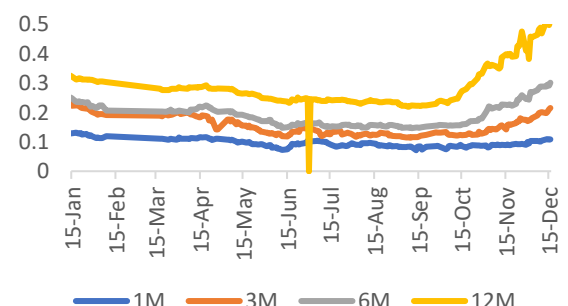
### Auction Results

	NTB AUCTION – December 15, 2021			BOND AUCTION – December 15, 2021	
Tenor/Maturity	91-day	182-day	364-day	12 ½ 01/22/26	16.25 04/18/37
Offer / Subscription (₦'Bn)	0.96/1.74	1.10/2.36	3.80/63.33	50.00/25.75	50.00/106.86
Total Allotment (₦'Bn)	0.96	1.10	3.80	15.38	84.62
Stop Rate(%)	2.49	3.45	5.00	11.65	13.10

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.25	6.06	99.5	100.25
ACCESS 9.125% PERP	9.44	9.37	97.875	98.625
ZENITH 7.375% 2022	5.05	2.81	101.00	102.000
ECOBANK 9.5% 2024	5.72	5.28	108.125	109.125
NIGERIA 7.875% 2032	8.17	8.06	98.00	98.75
GHANA 7.625% MAY 2029	11.36	11.11	81.75	82.75

### USD LIBOR Movement





## DOMESTIC NEWS

### FG DEBT SERVICING GULPS N2.49TRN IN NINE MONTHS – DMO REPORT

The Governor of the Central Bank of Nigeria (CBN) and Chairman of the Bankers Committee, Mr. Godwin Emefiele, has disclosed the committee's resolve to support the federal government to reduce the country's huge infrastructure deficit by committing more funds to the sector in 2022. The Governor, disclosed this yesterday at the closing ceremony the 12th Annual Bankers' Committee retreat. He also added that the CBN and Bankers Committee through Infrastructure Company Limited (InfraCo) would facilitate an initial funding of N170 billion for the Lagos- Ibadan expressway, Abuja-Kano Road and the second Niger bridge which would be tolled.

He also added that as part of measures to increase foreign exchange through non-oil exports, the CBN would engage government agencies and parastatals in the sector to enhance export proceeds. He said: "In 2022, the Bankers Committee will be focusing on supporting the CBN and the federal government in developing the infrastructure of the country, reducing the level of infrastructure deficit of the country; realizing that there is increasing limited fiscal space to fund capital projects.

## GLOBAL NEWS

### ECB CUTS STIMULUS BUT PROMISES COPIOUS SUPPORT

The European Central Bank cut stimulus further on Thursday but promised copious support for 2022, confirming its relaxed view on inflation and indicating that any exit from years of exceptionally easy policy will be slow. The bank said it would continue to cut bond buys under its 1.85 trillion-euro Pandemic Emergency Purchase Programme next quarter and will wind down the scheme as expected next March.

It will ramp up bond buys under its longer-running but more rigid Asset Purchase Programme, however, keeping the ECB active in the market. The central bank for the euro zone has said it considers a spike in inflation to be temporary.

Although analysts expect the ECB to cut its bond purchases in half by April from now, the effective cut is likely to be much smaller as fresh government issuance is expected to fall, so the ECB will continue to Hoover up most of the new debt.

**Sources:** FMDQ, Access Bank Treasury Team, Reuters, Bloomberg, BusinessDay

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