

Daily Market Update

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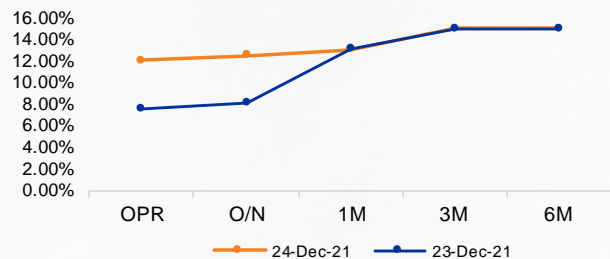
Money Market

System liquidity opened with a credit balance of ₦350bn due to refund from previous Retail SMIS Auction as well as the FAAC payment yesterday.

Despite this improvement, Open Repo and Overnight rates increased by 450bps to close the week at 12.00% and 12.50% respectively as market participants funded their operating account to accommodate today's FX Auction and CRR debits by the Central Bank of Nigeria

We expect the rates to decline slightly next week barring any significant funding activity.

Money Market Rate Movement



Foreign Exchange

Closing the week, NAFEX appreciated by 24 Kobo to close at \$/N414.35.

The low liquidity seen this week in the Investors and Exporters' window continued into today's trading session as demand from customers was met with low supply in the market. Consequently, the Naira weakened by 37 Kobo to close the week at \$/N415.10. The Apex bank conducted its bi-weekly Retail SMIS auction today.

We expect rates to trade at similar levels next week after the holidays.

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.54	413.77	(0.06)
I&E Closing	415.10	414.73	0.09
NAFEX	414.35	414.59	(0.06)

Treasury Bills

The Treasury bills market closed the week on a quiet note, with a handful of trades consummated through the trading session as attention was focused on the retail SMIS auction held today by the CBN. Although the bears were dominant in the market, we witnessed some interest on some short-tenured OMO and NTB maturities.

We expect market to trade with mixed sentiments in the coming week as market players continue to trade cautiously..

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.69	11-Jan-22	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 Bond market opened on a calm note today as we enter into the Yuletide season. We saw a bit of demand on the 2026 bonds with limited offers to match these bids. As market progressed further, demand for the shorter end of the curve intensified with emphasis on the 2024 bonds which traded at 8% handle. By close of market, very few trades were consummated across the benchmark bonds with yields inching up by an average of 2bps.

We expect a quiet session next week as investors' appetite remain weak for bonds.

FGN Bond Yields	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	7.56	7.57	(0.13)
13.53 23-MAR-2025	10.56	10.57	(0.09)
16.2884 17-MAR-2027	12.21	12.21	0
13.98 23-FEB-2028	12.44	12.44	0
12.40 18-MAR-2036	12.91	12.90	0.08
16.2499 18-APR-2037	13.00	13.05	(0.38)
12.98 27-MAR-2050	13.28	13.28	0

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.40	15.99
Foreign Reserves (Gross \$'Bn)	40.59	40.61

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3395	1M	0.10188	WTI	73.72
EUR/USD	1.1307	3M	0.21975	BRENT	76.52
USD/JPY	114.36	6M	0.33638	GOLD	1,810.10
USD/CHF	0.9192	12M	0.56113	SILVER	22.910

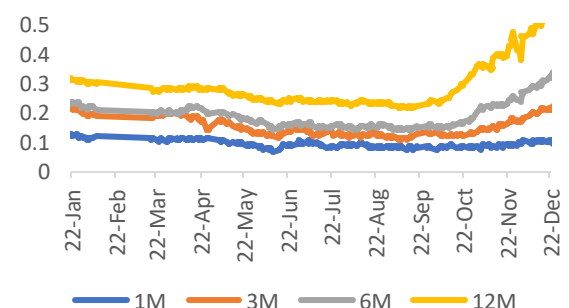
Auction Results

	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	99.500	100.250
ACCESS 9.125% PERP	9.43	9.36	98.000	98.750
ZENITH 7.375% 2022	5.53	3.16	100.750	101.750
ECOBANK 9.5% 2024	5.74	5.30	108.000	109.000
NIGERIA 7.875% 2032	8.22	8.11	97.625	98.375
GHANA 7.625% MAY 2029	11.53	11.27	82.750	83.750

USD LIBOR Movement





DOMESTIC NEWS

AGRIC SECTOR RECORDS N1.7RN TRADE DEFICIT IN NINE MONTHS

The agricultural sector recorded a trade deficit of N1.7tn between January and September this year, as exports stood at N371.8bn while imports rose to N2.1tn. The latest National Bureau of Statistics' foreign trade report showed that the total value of trading in agricultural goods during the first three quarters of 2021 was N2.4tn.

In the first quarter of the year, the total trade in the sector was N757.4bn, comprising an export component of N127.2bn and imports worth N630.2bn. The difference between the value of exports and imports during the reviewed quarter resulted in a trade deficit of N503bn. The report read in part, "Top exported agricultural products were Sesamum seeds exported mainly to China (valued at N23.1bn), Japan (N8.3bn) and Turkey (N3bn).

GLOBAL NEWS

OIL PRICES EASE IN HOLIDAY TRADE, MARKET FOCUS ON NEXT OPEC+ MOVE

Brent crude futures snapped a three-day rally today in light holiday trading but the benchmark was still headed for a weekly gain, with the market focusing on next steps by OPEC+ and the impact of the Omicron variant.

Brent crude futures slid 41 cents, or 0.5%, to \$76.44 a barrel, following a 2.1% gain in the previous session. The benchmark was still on track for a weekly gain of about 4%. US markets are closed on Friday for the Christmas holiday. Oil prices have recovered this week as fears over the impact of the highly infectious Omicron variant on the global economy receded, with early data suggesting it causes a milder level of illness. n firmed to one-month highs against the dollar and euro , also boosted by soaring oil and gas prices. "With concerns about the fallout from Omicron fading, market focus shifted to the next move by OPEC+ at its January meeting," he said.

The Organization of the Petroleum Exporting Countries and allies including Russia, known as OPEC+, will likely stick to its decision to raise oil production by 400,000 barrels per day (bpd) each month at its next meeting as long as oil prices stay above \$70 a barrel. The group is scheduled to meet next on 4 January.

Sources: FMDQ, Access Bank Treasury Team, Reuters, Bloomberg, Punch, Investing.com, ThisDay, CNBC, The Guardian

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