

# Daily Market Update

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

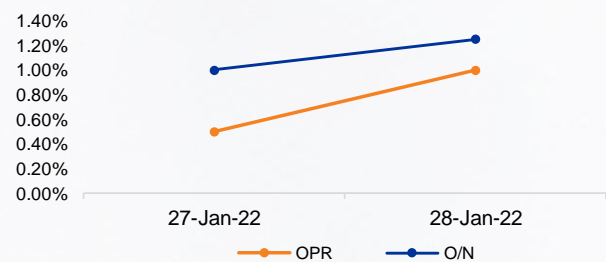
Friday, 28 January 2022

## Money Market

Market liquidity opened the day with a balance of ₦494bn boosted by the Bond and Treasury Bills maturity yesterday. However, Open Repo and Open Buy Back rates increased by 50bps to close at 1.00% and 1.25% respectively resulting from the CRR debit by the CBN.

We expect rates to remain at these levels opening the week barring any significant funding activity.

### Money Market Rate Movement



## Foreign Exchange

The FX market ended the week with appreciation both at the NAFEX and Investors' & Exporters' window rates. The NAFEX gained 50kobo to close at \$/₦415.75, while the IEFX rate gained 33Kobo against the Greenback to close at \$/₦416. However, much of the FX demand remained unmet.

The CBN released the result of the last Retail SMIS Auction today.

In the coming week, we expect rates to trade around similar levels.

### FX Rates

	Current	Previous	%Δ
I&E Closing	416.00	416.33	(0.08)
NAFEX	415.75	416.25	(0.12)

## Treasury Bills

Closing the week, the Treasury Bills market opened on an active note with mixed sentiment witnessed across the OMO and NTB curve. The trend was sustained throughout the trading session with trades consummated across the mid to the long end of the curve. Consequently, rates dipped by an average of 7bps from opening levels.

We expect the market to trade with mixed sentiments opening next week as market players continue to trade cautiously.

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
10-Mar-22	2.98	01-Feb-22	3.50
09-Jun-22	3.67	01-Mar-22	5.28
11-Aug-22	5.36	16-Aug-22	5.73
13-Oct-22	5.00	04-Oct-22	5.50

## BONDS

The bullish trend we witnessed earlier in the week calmed as local players sought to take profit on the positions taken ahead of the Jan 2022 maturity yesterday. As such, we saw improved offers across the curve with emphasis on the new 20 Year Bond (2042) which was firmly offered at 12.92%. The 2036 was the most actively traded, exchanging hands at 12.75%. Overall, average yields on the Benchmark Bonds remained unchanged from opening levels.

We expect increased activity next week as local players take positions for the month of February.

### FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	6.88	6.88	(0.02)
13.53 23-MAR-2025	10.00	9.78	0.22
16.2884 17-MAR-2027	11.64	11.64	0.00
13.98 23-FEB-2028	11.78	12.09	(0.31)
12.40 18-MAR-2036	12.77	12.68	0.09
16.2499 18-APR-2037	12.81	12.85	0.04
12.98 27-MAR-2050	12.95	12.95	0.00

### Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.63	15.40
Foreign Reserves (Gross \$'Bn )	40.18	40.21

### Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3404	1M	0.10500	WTI	88.29
EUR/USD	1.1156	3M	0.29900	BRENT	89.81
USD/JPY	115.25	6M	0.51870	GOLD	1782.45
USD/CHF	0.9310	12M	0.92157	SILVER	22.39

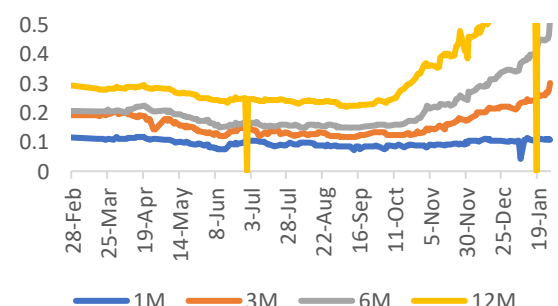
### Auction Results

Tenor/Maturity	NTB AUCTION – January 26, 2022			OMO AUCTION – January 27, 2022		
	91-day	182-day	364-day	96-day	180-day	362-day
Offer / Subscription (₦'Bn)	2.68/12.69	3.54/13.99	123.11/448.95	10/50.30	10/69.54	20/157.40
Total Allotment (₦'Bn)	2.68	3.54	217.53	10	10	20
Stop Rate(%)	2.48	3.30	5.399	7.00	8.50	10.10

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.44	6.25	98.750	99.500
ACCESS 9.125% PERP	9.74	9.65	97.500	98.375
ECOBANK 9.5% 2024	5.48	5.03	108.250	109.250
UBA 6.75% 2026	6.78	6.56	99.875	100.750
GHANA 7.625% MAY 2029	13.02	12.60	77.375	78.875
NIGERIA 7.875% 2032	8.36	8.23	96.750	97.625

### USD LIBOR Movement





## DOMESTIC NEWS

### **NNPC SECURES \$5BN FUNDING FROM AFREXIM BANK FOR UPSTREAM BUSINESS, OTHERS.**

The Nigerian National Petroleum Company Limited (NNPC) has secured a \$5 billion corporate finance commitment from the African Export-Import Bank (Afreximbank) to fund major investments in Nigeria's upstream sector.

The funding commitment was sequel to a meeting between Chairman of the Board of Directors and President of the Bank, Professor Benedict Oramah, and the NNPC team led by the Group Managing Director, Mallam Mele Kyari, on Wednesday in Cairo. On the trip with Kyari were NNPC's Chief Financial Officer, Umar Ajiya; Group Executive Director, Upstream, Adokiye Tombomieye; and Managing Director, NNPC Trading, Lawal Sade.

The finance commitment would enable NNPC fund some of its major investments in the country's upstream oil and gas sector.

## GLOBAL NEWS

### **WALL STREET OPENS LOWER ON SIGNS OF SPENDING SLOWDOWN; DOW DOWN 250 PTS**

U.S. stock markets opened lower in choppy trading on Friday, with ongoing liquidations in many stocks contrasting with pockets of strength in companies with better short-term cash generation

The market was troubled by data showing that wage growth slowed the fourth quarter, while personal spending fell again in December as consumer prices continued to rise at a brisk clip.

By 9:37 AM ET (1437 GMT), the Dow Jones Industrial Average was down 252 points, or 0.7%, at 33,909 points. The S&P 500 was down 0.5% and the NASDAQ Composite was down 0.3%. The three indices have made an unconvincing start to the year, with declines of 6%, 9% and 15% respectively so far.

**Sources:** FMDQ, Access Bank Treasury Team, Bloomberg, ThisDay, CNBC, Nairametrics, CNN, ThisDay Reuters

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# DIVERSIFY YOUR PORTFOLIO WITH EUROBONDS

Eurobonds are international bonds that are denominated in currencies not native to the country where they are issued. Most Eurobonds issued are in USD.

## **Some benefits of investing in Eurobonds include:**

- Higher yield on investments in foreign currency
- Capital preservation
- Hedging against foreign exchange fluctuations."

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