

# Daily Market Update

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

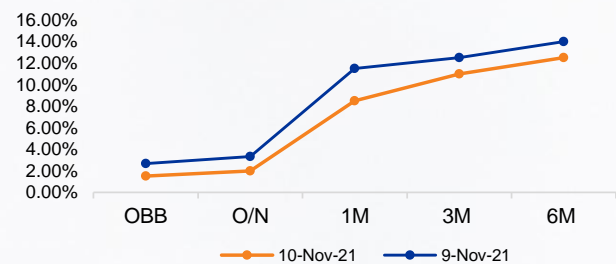
Wednesday, 10 November 2021

## Money Market

The system liquidity remained stable to opened the day with a balance of ₦408bn as there was no significant funding activities in the market. Nevertheless, OBB and Overnight rates declined further by an average of 125bps to close the day at 1.50% and 2.00% respectively.

We expect the rates to inch-up slightly tomorrow as we expect net NTB Auction debit of ₦45bn into the system.

### Money Market Rate Movement



## Foreign Exchange

We witnessed thin liquidity at the Investors' and Exporters' Window during today's trading session. However, the Central Bank of Nigeria intervened to boost the supply of funds through FX sales to FPIs. Consequently, the Naira strengthened against the US Dollar by ₦0.34 to close at \$/₦14.73.

The NAFEX rate also strengthened slightly against the Greenback by 1kobo to close at \$/₦14.73 during today's trading session. We expect rates to continue to trade at these levels tomorrow.

### FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.89	413.57	0.08
I&E Closing	414.73	415.07	(0.08)
NAFEX	413.53	413.54	0.00

## Treasury Bills

The Treasury Bills secondary market opened on a quiet note today as the attention of market players shifted to the NTB auction conducted by the DMO. By the close of market, only a few trades were consummated and consequently, rates remained largely unchanged from opening levels.

At the NTB auction, the DMO offered a total of ₦150.63bn and sold ₦196.17bn across the standard tenors from a subscription of ₦574.88bn. Stop rates were maintained on the 91- and 182-day at 2.50% and 3.50% respectively, while the stop rate on the 364-day printed at 6.50% (↓49bps).

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.68	07-Dec-21	6.15
10-Mar-22	4.32	01-Mar-22	5.62
9-Jun-22	5.37	15-Mar-22	5.67
11-Aug-22	6.43	16-Aug-22	6.20
13-Oct-22	6.70	04-Oct-22	6.36

Closing the week, we expect the market to trade on a bullish note as market players continue to show bids across the curve.

## BONDS

The FGN bond market traded on a calm note as the NTB auction took center stage. Nevertheless, we witnessed cares on the belly of the curve with emphasis on the 2037 bond at 12.87%. We also continued to see a bit of demand on the short-tenured maturities. As a result, yields dwindled by an average of 4bps from opening levels.

We expect a slight bullish bias on the short and mid-point of the curve tomorrow, given the notable decline (49bps) in the 1-Yr NTB stop rate.

### FGN Bond Yields

	Current (%)	Previous (%)	Δ
12.75 27-APR-2023	8.54	8.55	(0.12)
13.53 23-MAR-2025	10.58	10.58	0.00
16.2884 17-MAR-2027	11.55	11.56	(0.09)
13.98 23-FEB-2028	11.62	11.62	0.00
12.40 18-MAR-2036	12.79	12.79	0.00
16.2499 18-APR-2037	12.88	12.89	(0.08)
12.98 27-MAR-2050	13.15	13.15	0.00

### Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	16.63	16.63
Foreign Reserves (Gross \$'Bn )	41.58	41.60

### Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3534	1M	0.08925	WTI	84.05
EUR/USD	1.1566	3M	0.14950	BRENT	84.81
USD/JPY	113.39	6M	0.21513	GOLD	1,861.38
USD/CHF	0.9130	12M	0.34975	SILVER	25.02

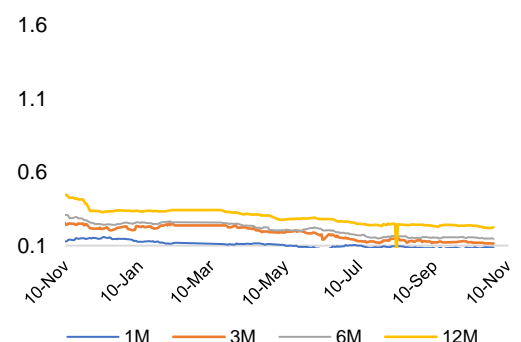
### Auction Results

	OMO AUCTION – November 04, 2021			NTB AUCTION – November 04, 2021		
Tenor/Maturity	138-day	194-day	355-day	91-day	182-day	364-day
Offer / Subscription (₦'Bn)	5.00/11.50	5.00/14.00	15.00/75.25	4.80/4.87	7.99/3.80	138.03/566.21
Total Allotment (₦'Bn)	5.00	5.00	15.00	4.12	3.00	189.06
Stop Rate(%)	7.00	8.50	10.10	2.50	3.50	6.50

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.06	5.94	100.250	100.750
ACCESS 9.125% PERP	9.21	9.17	99.125	99.625
ZENITH 7.375% 2022	3.61	2.69	102.000	102.500
ECOBANK 9.5% 2024	5.48	5.06	109.000	110.000
NIGERIA 7.875% 2032	7.55	7.45	102.250	103.000
GHANA 7.625% MAY 2029	10.18	9.97	88.125	89.000

### USD LIBOR Movement



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## DOMESTIC NEWS

### FG MOVES TO ACCELERATE OPEN DISCLOSURE OF NIGERIA'S OIL, GAS ASSETS' OWNERSHIP

The Federal Government yesterday officially launched the Opening Extractives Program (OEP), a global five-year scheme to unveil the real owners of assets in Nigeria's oil, gas and mining sectors. To be jointly implemented by the Extractive Industries Transparency Initiative (EITI) and Open Ownership, the initiative was introduced to accelerate progress of beneficial ownership transparency in selected resource-rich countries.

The government said the program is part of the ongoing reforms in the extractive industries. The Minister of Finance, Budget, and National Planning, Dr. Zainab Ahmed, who delivered the keynote during the event organized by the Extractive Industries Transparency Initiative (NEITI) in Abuja, said it would help stem corruption and money laundering in the sectors. Represented by the Minister of State for Budget and National Planning, Mr. Clem Agba, Ahmed stated that despite several roadblocks erected by companies operating in the sector in the past, the Federal Government had continued to push for more transparency in the industry.

## GLOBAL NEWS

### BRENT REBOUNDS TO \$83.8 ON PASSAGE OF \$1TRN US INFRASTRUCTURE BILL

International crude oil benchmark, Brent crude futures firmed up above \$83.8 per barrel yesterday as strong demand outlook outweighed fears over a United States government intervention in the oil market. WTI crude oil futures extended gains for a third straight session, surpassing the \$82.7 per barrel mark. Oil prices were buoyed by the passage of a \$1 trillion US infrastructure bill, strong Chinese export data and the return of global travel, with major economies such as the US easing travel curbs and opening borders for foreign tourists.

Furthermore, US energy companies revealed plans to significantly reduce hedging in a sign of confidence that oil prices will remain elevated. The threat of a US action to curb high energy prices, however, still looms as US senate democrats called on President Joe Biden to "consider all tools available at your disposal to lower gasoline prices," which they said include a release from the Strategic Petroleum Reserve and a ban on crude oil exports.

**Sources:** FMDQ, Access Bank Treasury Team, Leadership, This Day

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