

# Daily Market Update

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

Thursday, 25 November 2021

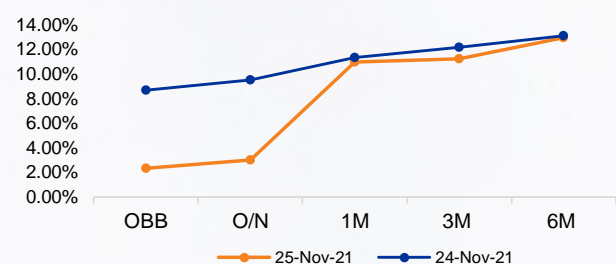
## Money Market

Market liquidity improved significantly to open the day at ₦194bn. This is attributable to the November 2021 FAAC disbursement from the previous day as well as the retail refund that came into the system today

Consequently, OBB and O/N rates declined significantly by an average of 650bps to close the day at 2.33% and 3.00% respectively despite the net NTB sales of ₦97bn and OMO sales of ₦30bn.

We anticipate an increase in money market rates tomorrow as Banks fund for the bi-weekly retail auction.

### Money Market Rate Movement



## Foreign Exchange

Rates at the Investors' & Exporters' window traded flat to close at \$/₦415.07 despite the illiquidity in the FX market persisting with market participants bidding for funds to clear their outstanding obligations.

The NAFEX rate strengthened by ₦0.21 to close at \$/₦413.37 during today's trading session and we anticipate that rates will trade at \$/₦415 levels closing the week.

We expect the Central Bank to conduct its biweekly Retail SMIS auction tomorrow.

### FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.58	413.82	0.06
I&E Closing	415.07	415.07	0.00
NAFEX	413.37	413.58	0.05

## Treasury Bills

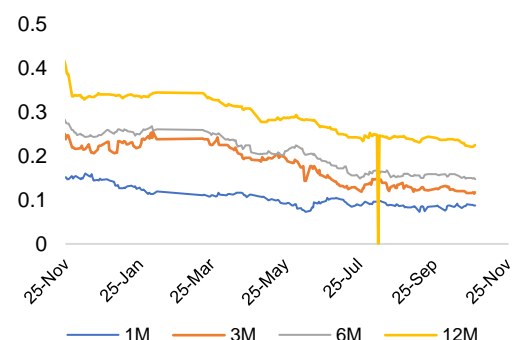
The Treasury Bills secondary market traded on a bullish note today as participants showed bids across the mid to long end of the NTB and OMO curves. Interest was largely skewed towards the newly-issued one-year paper (24-Nov-22).

The CBN also conducted an OMO auction, offering and selling ₦30bn across the 117-, 187- and 341-day maturities. The total subscription stood at ₦142.78bn, while stop rates were maintained at 7.00%, 8.50% and 10.10% across the short-, medium-, and long-term maturities, respectively.

Closing the week, we expect the market to trade on a quiet note as market players continue to trade cautiously.

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.69	07-Dec-21	5.31
10-Mar-22	4.31	01-Mar-22	5.44
9-Jun-22	5.31	15-Mar-22	5.47
11-Aug-22	5.36	16-Aug-22	5.72
13-Oct-22	6.20	04-Oct-22	6.00





## DOMESTIC NEWS

### NON-OIL REVENUES HAVE GROWN TO ₦1.15 TRILLION – FINANCE MINISTER, ZAINAB AHMED

Nigeria's non-oil revenue has risen 15.7% above the Federal Government's targets to ₦1.15 trillion. This was revealed by the Minister of Finance, Budget and National Planning, Zainab Ahmed at the Institute of Directors (IoD) 2021 Annual Directors Conference which was held physically and virtually on Wednesday in Abuja, according to the News Agency of Nigeria.

Nigeria's non-oil sector grew by 5.44% in real terms during the reference quarter (Q3 2021). The growth recorded in the non-oil sector was mainly driven by trade, Information and Communication (Telecommunication).

Other drivers include Financial and Insurance (Financial Institutions); Manufacturing (Food, Beverage & Tobacco); Agriculture (Crop Production); and Transportation and Storage (Road Transport).

In real terms, the non-Oil sector contributed 92.51% to the nation's GDP in third quarter 2021, higher from the share recorded in the third quarter of 2020 which was 91.27% and lower than the second quarter of 2021 recorded as 92.58%.

## GLOBAL NEWS

### U.S. ECONOMY EYES STRONG 2021 FINISH AS LABOUR MARKET TIGHTENS, SPENDING ACCELERATES

The number of Americans filing new claims for unemployment benefits dropped to a 52-year low last week, suggesting economic activity was accelerating as a year ravaged by shortages, high inflation and an unrelenting pandemic draws to a close.

The plunge in claims reported by the Labor Department on Wednesday was, however, exaggerated by difficulties adjusting the data for seasonal fluctuations this time of the year. Still, the labor market is tightening, with jobless rolls shrinking in mid-November to the smallest since March 2020 when the economy was in the grips of the first wave of COVID-19 infections.

The economy's strengthening tone was confirmed by other data showing strong consumer spending in October as well as business orders for equipment, excluding transportation. The goods trade deficit narrowed sharply last month as exports surged.

**Sources:** FMDQ, Access Bank Treasury Team, Reuters, ThisDay

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