

# 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 \mathbb{\mathbb{H}}97bn and OMO sales of \mathbb{\mathbb{H}}30bn,.

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

#### Foreign Exchange

Rates at the Investors' & Exporters' window traded flat to close at \$/\frac{\text{\t

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.

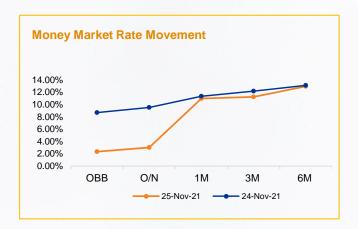
We expect the Central Bank to conduct its biweekly Retail SMIS auction tomorrow.

#### **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.



Current	Previous	%∆
413.58	413.82	0.06
415.07	415.07	0.00
413.37	413.58	0.05
	413.58 415.07	413.58 413.82 415.07 415.07

Treasury Bill	ls		
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



#### **BONDS**

The FGN bond market continued on a quiet note, with minimal trades witnessed across board. There was some profit-taking across the mid to long-tenured maturities with better offers on these maturities, while we saw exposed bids on the short end of the curve given the decline in the 1-Yr NTB stop rates.

The interplay of the activities in the market led to a rise in average yields by 4bps to close at 11.78%.

We expect the market to trade on a similar note to close the week.

FGN Bond Yields	Current (%)	Previous (%)	Δ
12.75 27-APR-2023	8.26	8.27	(0.12)
13.53 23-MAR-2025	9.60	9.60	0.00
16.2884 17-MAR-2027	11.85	11.56	2.51
13.98 23-FEB-2028	11.98	11.75	1.96
12.40 18-MAR-2036	12.95	12.95	0.00
16.2499 18-APR-2037	12.99	12.99	0.00
12.98 27-MAR-2050	13.35	13.35	0.00

#### **Monetary Policy**

# Global Currency, Fixings and Commodities Global LIBOR Corrences Current Previous Currencies

Key Indicator	Current Previous		Global Currencies		LIBOR		Commodities	
			CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
Monetary Policy Rate (%)	11.50	11.50	GBP/USD	1.3312	1M	0.09163	WTI	78.13
Inflation y/y (%)	15.99	16.63	EUR/USD	1.1221	3M	0.18025	BRENT	82.13
Foreign Reserves (Gross \$'Bn ) 41.37		USD/JPY	115.32	6M	0.25100	GOLD	1,790.88	
	41.37	41.38	USD/CHF	0.9341	12M	0.44588	SILVER	23.61

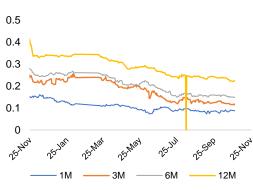
#### **Auction Results**

	NTB AUCTION – November 24, 2021			OMO AUCTION – November 25, 2021		
Tenor/Maturity	91-day	182-day	364-day	117-day	187-day	341-day
Offer / Subscription (\text{\text{\text{\text{H}}}}'Bn)	3.54/9.04	4.12/4.28	111.07/402.95	5.00/16.00	5.00/20.50	20.00/106.28
Total Allotment (₦'Bn)	2.04	3.78	209.90	5.00	5.00	20.00
Stop Rate(%)	2.50	3.50	5.89	7.00	8.50	10.10

#### **Eurobonds**

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.21	6.06	99.625	100.25
ACCESS 9.125% PERP	9.43	9.36	98.500	99.250
ZENITH 7.375% 2022	4.08	2.59	101.625	102.375
ECOBANK 9.5% 2024	5.75	5.32	108.250	109.625
NIGERIA 7.875% 2032	8.13	8.02	98.250	99.000
GHANA 7.625% MAY	11.68	11.46	82.750	83.625

#### **USD LIBOR Movement**





## **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 \(\frac{\text{\text{\text{\text{N}}}}}{1.15}\) 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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With our scale, expertise and deep desire to satisfy your needs, we will deliver exceptional experiences for the moments that matter the most to you.

