

Daily Market Update

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

Monday, 29 November 2021

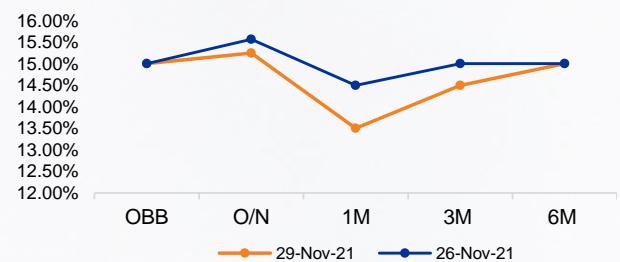
Money Market

Market liquidity opened the week with an estimated balance of ₦50bn, a fallout from the Retail SMIS Auction conducted on Friday.

The Central Bank of Nigeria rolled over its 29 November 2021 special bill maturity, and this took center stage as banks basically funded their position.

The Open Repo and Overnight rates remained stable to close the day at 15.00% and 15.25% respectively. We expect the rates to decline tomorrow as an OMO maturity of ₦54.30bn impacts the system.

Money Market Rate Movement



Foreign Exchange

The market remained illiquid as demand continues to outweigh supply at the Investors and Exporters' window. However, the CBN intervened in the market to provide FX for Foreign Portfolio Investors. Nevertheless, the Naira traded flat to close at \$/₦415.07.

The NAFEX rate depreciated marginally against the Greenback by 2kobo to close at \$/₦413.56 during today's trading session and we anticipate that rates will trade at similar levels tomorrow.

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.75	413.71	0.01
I&E Closing	415.07	415.07	0.00
NAFEX	413.56	413.54	0.00

Treasury Bills

The Treasury Bills secondary market opened the week on a quiet note today as market participants largely remained on the sidelines. As the trading day progressed, we observed some buying interest across the curve but with minimal trades consummated. Consequently, closing rates remained unchanged from opening levels.

Despite the OMO maturity of ₦54.30bn expected to hit the system tomorrow, we expect the market to open on a quiet note as market players 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	6.01

BONDS

The FGN Bond market opened the week on a weak note, as local players sought to take profit on some of their positions across the curve as the month comes to an end. We witnessed improved offers particularly on the re-opening 20 and 30-Yr bonds at 13.05% and 13.31% respectively. We also did not see a lot of activity on the short end of the curve, given the illiquidity of these papers. Overall, yields across board inched up marginally by an average of 2bps.

We expect a similar trend tomorrow, as market participants close their books for the month.

FGN Bond Yields

	Current (%)	Previous (%)	Δ
12.75 27-APR-2023	8.23	8.25	(0.02)
13.53 23-MAR-2025	9.59	9.60	(0.01)
16.2884 17-MAR-2027	11.82	11.85	(0.03)
13.98 23-FEB-2028	11.97	11.98	(0.01)
12.40 18-MAR-2036	13.00	12.95	0.05
16.2499 18-APR-2037	13.06	12.99	0.07
12.98 27-MAR-2050	13.37	13.29	0.08

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.99	16.63
Foreign Reserves (Gross \$'Bn)	41.82	41.33

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3301	1M	0.09038	WTI	↓ 70.82
EUR/USD	1.1261	3M	0.17538	BRENT	↓ 74.85
USD/JPY	113.69	6M	0.24600	GOLD	↓ 1,789.10
USD/CHF	0.9252	12M	0.41038	SILVER	↓ 23.01

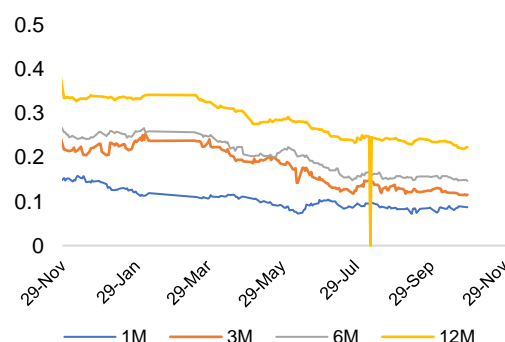
Auction Results

	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 (₦'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	6.25	6.05	99.638	100.250
ACCESS 9.125% PERP	9.40	9.35	99.000	99.850
ZENITH 7.375% 2022	4.05	2.55	101.629	102.380
ECOBANK 9.5% 2024	5.75	5.35	108.225	109.225
NIGERIA 7.875% 2032	8.50	8.35	98.871	96.624
GHANA 7.625% MAY 2029	12.15	11.90	80.385	81.365

USD LIBOR Movement





DOMESTIC NEWS

REMITTANCES, I&E YIELD \$100M, \$250M WEEKLY FOREX INFLOW – CBN

The Governor of the Central Bank of Nigeria (CBN), Godwin Emefiele, has said its several policies on exchange rates is yielding results as remittances into the country soared to \$100 million per week while inflow at the Investors' and Exporters' window rose to \$250 million as at last month.

Speaking at the 2021 annual bankers' dinner in Lagos at the weekend, Emefiele, noted that, its Naira4Dollar scheme has seen remittance into the country grow from \$5 million per week in June to over \$100 million per week. Emefiele stressed that the several policies of the apex bank on foreign exchange has seen inflow of forex rise on the investors and exporters window as well as on the part of remittance.

To him, "remittance inflows have been supported by our naira for dollar program, and we have seen a surge in remittance inflows from over \$5 million per week in June 2020 to over \$100 million per week in October 2021.

GLOBAL NEWS

IT WILL TAKE MONTHS TO CLEAR A NEW COVID VACCINE TARGETING OMICRON – MODERNA CEO

Moderna CEO Stephane Bancel on Monday said it will take months to develop and ship a vaccine that specifically targets the omicron variant of the virus that causes Covid-19. However, a higher 100-microgram dose of the company's booster shot could be ready much sooner.

"The higher dose could be done right away but it will be months before the omicron specific variant is ready to ship in massive quantities," Bancel told CNBC's "Squawk Box." Bancel said Moderna believes the omicron variant is highly infectious, but it will take at least two weeks to determine how much the mutations have impacted the efficacy of the vaccines currently on the market.

"Depending on how much it dropped, we might decide on the one hand to give a higher dose of the current vaccine around the world to protect people, maybe people at very high risk, the immunocompromised, and the elderly should need a fourth dose" he said. Dr. Scott Gottlieb, a former commissioner of the Food and Drug Administration, told CNBC that the FDA can move fast to approve a new vaccine to target omicron.

Sources: FMDQ, Access Bank Treasury Team, CNBC, ThisDay

Disclaimer - This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Therefore, all rates shown here are mark to market rates being published for guidance purposes only. Reasonable care has been taken in preparing this document. Access Bank Plc shall not accept responsibility or liability for errors of fact, or any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior written consent of Access Bank Plc.

We are faster, closer and safer

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.



accessbankplc.com



Africa | Asia | Europe | Middle East



access

more than banking