

# Daily Market Update

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

Wednesday, 13 October 2021

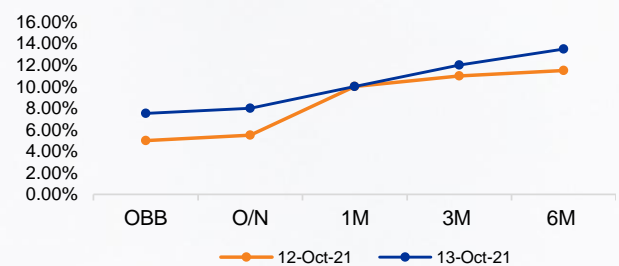
## Money Market

Despite the OMO credit of ₦110bn that came into the system yesterday, market liquidity opened the day at ₦89bn, a significant decline from the previous day opening.

Consequently, OBB and O/N rates increased by 250bps to close the day at 7.50% and 8.00% respectively.

We expect an increase in rates as participants fund for the net NTB sales of ₦67bn as well as the bi-weekly retail SMIS.

### Money Market Rate Movement



## Foreign Exchange

We witnessed low supply of liquidity relative to demand at the Investors' and Exporters' Window during trading today. However, the Central Bank of Nigeria intervened in the window through FX sales to Foreign Portfolio Investors. Nevertheless, the Naira weakened against the dollar by 80 Kobo closing the day at \$/₦415.10.

The NAFEX rate also depreciated by ₦0.38 to close at \$/₦413.24 and we expect rates to continue to trade at these levels tomorrow.

### FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.74	413.53	0.02
I&E Closing	415.10	414.40	0.19
NAFEX	413.24	413.27	(0.09)

## Treasury Bills

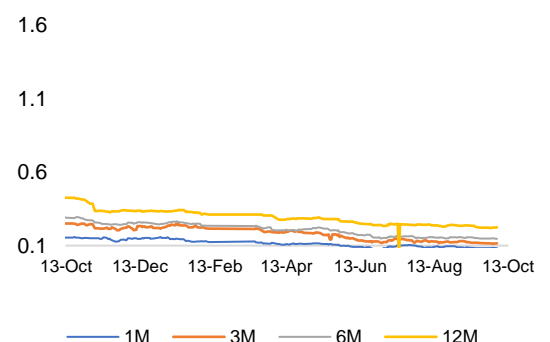
The Treasury Bills secondary market opened on a quiet note today as the attention of market players shifted to the NTB auction conducted by the DMO. By the close of market, only a few trades were consummated and consequently, rates remained largely unchanged from opening levels

At the NTB auction, the DMO offered a total of ₦121.66bn and sold ₦187.23bn across the standard tenors from a subscription of ₦493.03bn. 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 closed at 7.25% (↓25bps).

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

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
28-Oct-21	3.48	02-Nov-21	5.63
11-Nov-21	3.56	07-Dec-21	6.43
28-Apr-22	4.53	01-Mar-22	6.16
12-May-22	5.27	15-Mar-22	6.23
8-Sep-22	6.56	16-Aug-22	6.90





## DOMESTIC NEWS

### NIGERIA'S TRADE COSTS TOO HIGH TO ATTRACT INVESTMENTS – OKONJO-IWEALA

Director-General of the World Trade Organization (WTO), Dr. Ngozi Okonjo-Iweala, yesterday told the Federal Government that Nigeria's trade costs were too high to attract foreign investment, disclosing that the cost is equivalent of 306% tariff, one and half times higher than the cost in high income countries. She made the declaration via a video link on the second day of the Mid-term Ministerial Performance Review at the presidential villa, Abuja, with President Muhammadu Buhari, ministers and other top government officials in attendance, where she stressed on the need to improve security to attract foreign and domestic investments.

According to her, the country must cut down not only on trade cost but also infrastructure cost, linkage cost, regulatory cost, customs cost, and all costs associated with moving goods from the factory to the final consumer to complement investment facilitation. The former minister of finance and coordinating minister of the economy, noted that congestion, capacity constraints and high costs at Nigerian ports do not encourage investment as they make it difficult to build supply chain operations in the country.

## GLOBAL NEWS

### GROWING CRYPTOCURRENCY ADOPTION POSES RISK TO GLOBAL ECONOMY – IMF

The International Monetary Fund has said the growing adoption of cryptocurrencies pose risks to the global economy. The IMF said this in its 'Global Financial Stability' report released on Tuesday. It said the adoption of crypto assets and stablecoins in emerging markets and developing economies could pose a challenge to those countries' macroeconomic and financial stability.

According to the fund, while the risks are contained for now, regulators have to monitor cryptocurrencies to keep them in check. "As the crypto ecosystem expands and evolves, new sources of risk will emerge such as stablecoins and decentralised finance," it said. The IMF said the risks included hacking, lack of transparency around issuance and distribution of tokens, and operational risks including outages during periods of extreme volatility. It added that 'meme tokens' and centralisations were also factors to consider. The IMF said, "So far, losses as a result of such risks have not had a significant impact on financial stability, globally or domestically. . However, as crypto assets grow, the macro-criticality of such risks is likely to increase." "The crypto ecosystem continues its rapid growth presenting new opportunities and challenges. Crypto asset exchanges pose several operational and financial integrity risks through their cross-border operations

**Sources:** FMDQ, Access Bank Treasury Team, Bloomberg, Punch, Daily Sun.

**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.



# MORE IN AFRICA MORE TO THE WORLD

At Access Bank, we invest in projects that help improve the lives of individuals and the economy as a whole.

Fuel your capacity to grow beyond limits and experience more than banking with us.



[accessbankplc.com](https://accessbankplc.com)



Africa | Asia | Europe | Middle East



more than banking