

Daily Market Update

Tuesday, 14 September 2021

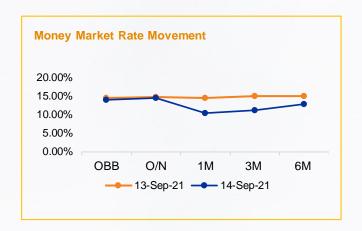
...A daily publication of Treasury Unit of Access Bank Plc.

Money Market

Market remained largely illiquid with opening volume at ₩14bn. It was improved further by the OMO maturity of ₩38bn that hit the system today.

Nonetheless, OBB and Overnight rates remained relatively stable to close at 14.00% and 14.50% as counterparties continue to access the CBN tenored-repo window for liquidity.

We expect the rates to hover around these levels tomorrow baring any significant funding activity.



Foreign Exchange

Rates at the Investors' & Exporters' window strengthened by 67kobo to close at \$/\delta412.08 despite the illiquidity in the market with local corporates bidding for funds to clear their outstanding obligations.

The NAFEX rate also weakened against the Greenback by \$\frac{1}{2}0.20\$ to close at \$\frac{1}{2}411.93\$ 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	412.18	412.46	0.07
I&E Closing	412.08	412.75	0.16
NAFEX	411.93	411.63	(0.07)
BDC Rate	550.00	550.00	0.55

Treasury Bills

Despite the OMO maturity of \\$38bn today, the Treasury Bills secondary market opened on a quiet note as market participants traded cautiously. This trend persisted for most of the trading session and consequently, closing rates remained largely unchanged from opening levels.

Tomorrow, we expect the quiet trend to persist as the attention of market players shifts to the NTB auction, where the DMO is scheduled to offer the sum of №155.88bn across the 91-, 182- and 364-day maturities.

Treasury Bill	s		
NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
30-Sep-21	2.58	19-Oct-21	5.11
14-Oct-21	2.75	02-Nov-21	5.63
10-Feb-22	4.17	07-Dec-22	6.33
28-Apr-22	5.12	01-Mar-22	6.30
12-May-22	5.30	15-Mar-22	6.36



BONDS

The FGN Bond market continued on a calm note, with the bearish undertone intensifying in today's trading session. We witnessed improved offers across the benchmark bonds with emphasis on the mid-point at c.13%. Just a handful of trades were consummated across the on-the-run maturities. Overall, yields inched up marginally by a single basis point.

We expect a quiet trading tomorrow as investors remain on the sidelines ahead of the NTB primary Auction scheduled to hold tomorrow.

FGN Bond Yields	Current (%)	Previous (%)	%∆
12.75 27-APR-2023	8.91	9.13	(2.61)
13.53 23-MAR-2025	10.27	10.27	0.00
16.2884 17-MAR-2027	11.70	11.01	6.27
13.98 23-FEB-2028	11.80	11.20	5.36
12.40 18-MAR-2036	12.74	12.74	0.00
16.2499 18-APR-2037	12.66	12.66	0.00
12.98 27-MAR-2050	13.25	12.73	4.08

Monetary Policy

Global Currency, Fixings and Commodities

1.6

Key Indicator	Current	Previous	Global Currencies		LIBOR		Commodities	
			CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
Monetary Policy Rate (%)	11.50	12.50	GBP/USD	1.3873	1M	0.08375	WTI	† 70.80
Inflation y/y (%)	17.38	17.38	EUR/USD	1.1824	3M	0.11600	BRENT	73.91
		17.00	USD/JPY	109.76	6M	0.14863	GOLD	\ 1,794.19
Foreign Reserves (Gross \$'Bn)	'Bn) 34.78 34.70	34.70	USD/CHF	0.9197	12M	0.22313	SILVER	23.69

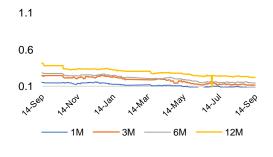
Auction Results

	NTB AUCTION - September 08, 2021			OMO AUCTION - September 09, 2021		
Tenor/Maturity	91-day	182-day	364-day	117-day	194-day	341-day
Offer / Subscription (₩'Bn)	5.06/5.84	23.45/12.74	109.65/237.53	10.00/18.20	10.00/15.80	30/95.27
Total Allotment (₦'Bn)	4.93	11.88	192.68	10.00	10.00	30.00
Stop Rate(%)	2.50	3.49	7.20	7.00	8.50	10.10

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 10.50% 2021	3.51	0.91	100.625	100.875
ZENITH 7.375% 2022	3.04	1.99	103.000	103.750
ECOBANK 9.5% 2024	6.16	5.86	107.875	108.625
NGERIA 7.875% 2032	6.84	6.74	107.625	108.375
GHANA 7.625% MAY 2029	7.77	7.63	99.875	100.625

USD LIBOR Movement





DOMESTIC NEWS

CBN TO ESTABLISH NIGERIAN INTERNATIONAL FINANCIAL CENTRE TO ATTRACT FOREIGN **INVESTORS**

The Central Bank of Nigeria (CBN) has announced that the Nigerian International Financial Centre (NIFC) will be established to act as a gateway for funds and investments into the country. According to the CBN, the center will be driven by technology and payment system infrastructure. Emefiele said, "Central Bank, will, in the next 12 months be establishing the Nigerian International Financial Centre (NIFC). The NIFC will act as an international gateway for Capital and investments, driven by technology and payment system infrastructure." He said that the new financial center will bring together local and foreign banks to create According to Emefiele, the NIFC would be a 24-hour financial center that will complement London, New York, and Singapore financial hubs, allowing Nigerian efforts like Infracorp Plc, a N15 trillion infrastructure fund that will be formed in October 2021, to accelerate. Commissions, there is the potential for earnings to recover. "He added that the NIFC will complement other CBN efforts such as the Nigerian Commodity Exchange and the National Theatre's creative hubs for Nigerian youths, as well as the e-Naira project, which will be launched in October 2021.

"The NIFC will take advantage of our existing laws such as the BOFIA 2020, NEPZA and other CBN regulations to create a fully global investment and financial hub where monies, ideas, and technology will move freely without hindrance," Emefiele added.

GLOBAL NEWS

US INFLATION SLOWS AS PRICES PRESSURES EASE

Underlying U.S. consumer prices increased at their slowest pace in six months in August as used motor vehicle prices tumbled, suggesting that inflation had probably peaked, though it could remain high for a while amid persistent supply constraints. The broad slowdown in price pressures reported by the Labor Department on Tuesday aligns with Federal Reserve Chair Jerome Powell's long-held belief that high inflation is transitory. Still, economists cautioned it was too early to celebrate and expected the U.S. central bank to lay out plans in November to start scaling back its massive monthly bond-buying program. "Inflation remains troublingly strong, even if it is not exploding like it did earlier in the year," said James McCann, deputy chief economist at Aberdeen Standard Investments in Boston. "If we continue to see further stepdowns in inflation over the next six months, that should ease the pressure on the Fed to quickly follow tapering with interest rate rises."

The consumer price index excluding the volatile food and energy components edged up 0.1% last month. That was the smallest gain since February and followed a 0.3% rise in July.

The so-called core CPI was held back by a 1.5% decline in prices for used cars and trucks, which ended five straight monthly increases. Robust rises in prices of used cars and trucks, as well as services in industries worst affected by the COVID-19 pandemic, were the key drivers behind a heating up of inflation at the start of the

Ysorces: FMDQ, Access Bank Treasury Team, Abokifx, Bloomberg, Daily Independent.

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