

# Daily Market Update

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

Tuesday, 28 September 2021

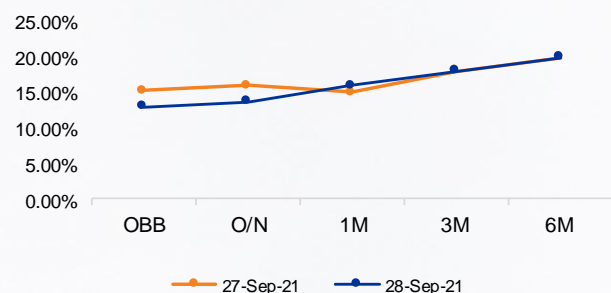
## Money Market

System liquidity opened the day in a Repo of N40bn but was boosted by the OMO maturity of N101bn.

As a result, OBB and O/N rates decreased by 230bps to close the day at 13.00% and 13.75% respectively as no significant activity was recorded.

We expect rates to decline opening tomorrow as we expect the FAAC disbursement into the system.

### Money Market Rate Movement



## Foreign Exchange

The NAFEX depreciated by ₦0.08 to close at \$/₦413.03

Meanwhile, the illiquidity at the Investors' and Exporters' Window persisted during today's trading session as demand for the funds continue to outweigh supply in the market. Consequently, the Naira weakened by ₦0.33 to close at \$/₦414.50. Naira is expected to trade at these levels tomorrow barring any significant market activity.

We expect, the Central Bank of Nigeria to intervene in the Foreign Exchange market tomorrow through provision of funds for foreign portfolio investors.

### FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.69	413.30	0.09
I&E Closing	414.50	414.83	(0.08)
NAFEX	412.95	412.95	0.04

## Treasury Bills

Following the OMO maturity of ₦105bn 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 with pockets of demand observed across the mid to long end of the curve, as such only a few trades were concluded, leaving the rates unchanged from opening levels.

Tomorrow, we expect the quiet trend to persist as the attention of market players shift to the NTB auction, where the DMO is scheduled to offer the sum of ₦111.87bn across the 91-, 182- and 364-day maturities.

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
14-Oct-21	3.76	19-Oct-21	5.11
11-Nov-21	4.00	07-Dec-22	6.43
28-Apr-22	5.53	01-Mar-22	6.04
12-May-22	5.69	15-Mar-22	6.13
8-Sep-22	7.00	16-Aug-22	7.07

## BONDS

The FGN bond market opened on a very calm note and remained quiet throughout the trading session.

We continued to see offers for the on-the-run instruments quoted c.10bps below auction stop rates, but these were not being lifted as bids remained 15bps apart. By and large, yields remained the same from yesterday.

We anticipate a quiet trading session tomorrow as market players attention shift towards the NTB Primary market auction.

FGN Bond Yields	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	8.17	8.31	(0.14)
13.53 23-MAR-2025	9.62	9.46	0.16
16.2884 17-MAR-2027	10.97	10.66	0.31
13.98 23-FEB-2028	11.55	11.22	0.33
12.40 18-MAR-2036	12.73	12.73	0.00
16.2499 18-APR-2037	12.76	12.76	0.00
12.98 27-MAR-2050	13.10	13.04	0.06

## Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	17.01	17.01
Foreign Reserves (Gross \$'Bn )	36.11	36.09

## Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3546	1M	0.08675	WTI	↓ 75.12
EUR/USD	1.1684	3M	0.13175	BRENT	↓ 78.33
USD/JPY	111.35	6M	0.15500	GOLD	↓ 1,739.90
USD/CHF	0.9281	12M	0.23600	SILVER	↓ 22.517

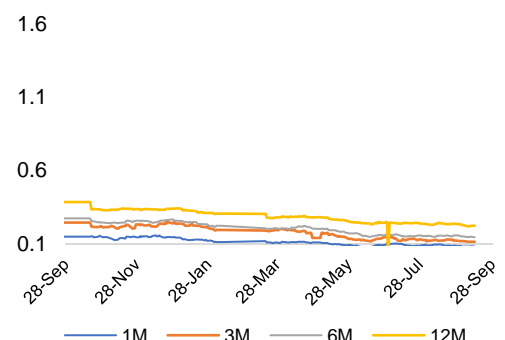
## Auction Results

	BOND AUCTION – September 22, 2021			OMO AUCTION – September 16, 2021		
Tenor/Maturity	7-Year	15-Year	30-Year	117-day	194-day	341-day
Offer / Subscription (₦'Bn)	50.00/52.43	50.00/125.58	50.00/156.31	5.00/8.50	5.00/16.50	10.00/57.47
Total Allotment (₦'Bn)	42.37	115.85	118.83	5.00	5.00	10.00
Stop Rate(%)	11.60	12.75	13.00	7.00	8.50	10.10

## Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125 % 2026	6.01	5.89	100.5	101.00
ZENITH 7.375% 2022	3.35	2.24	102.625	103.375
ECOBANK 9.5% 2024	6.06	5.76	108.00	108.75
NIGERIA 7.875% 2032	7.45	7.35	103.0	103.75
GHANA 7.625% MAY 2029	8.48	8.32	95.25	96.00

## USD LIBOR Movement





## DOMESTIC NEWS

### CEBIH, OTHERS URGE NIGERIANS TO ADOPT CBN'S E-NAIRA INITIATIVE

The Committee of e-business Industry Heads (CeBIH) has lauded the Central Bank of Nigeria (CBN) e-naira initiative, urging Nigerians to adopt the e-naira when it's rolled out by the CBN in October this year. CeBIH noted that the e-naira would facilitate faster and cheaper payment transactions and drive financial inclusion in Nigeria. According to a statement issued by the group, the CeBIH Chairman, Adeyemi Atanda, stated this at the third-quarter industry forum of (CeBIH) with the theme: 'Digital currency and the prospects of Central Bank digital currency in Nigeria', held in Abuja yesterday.

He explained that there must be an attraction for people to keep money in naira, but the e-naira has no attraction. Atanda, however, said it can be compensated with the fact that transactions are done using e-naira come at near-zero cost, which can help the end-user save some money. He said: "When you hear e-naira, think transactional not investments. That is where a lot of people are mixing it up. You can't compare it with crypto. Crypto is not primarily transactional, it is primarily investments. The e-naira is primarily transactional." The group boss assured Nigerians that the CBN and banking sector are well equipped to manage fraud and other cyber security challenges that can arise from the adoption of the e-naira. Atanda said: "We have been very innovative in trying to guard against fraud as much as possible."

## GLOBAL NEWS

### YELLEN WARNS LAWMAKERS U.S. TREASURY TO HIT DEBT LIMIT OCT. 18:

U.S. Treasury Secretary Janet Yellen on Tuesday again warned lawmakers that the nation was close to exhausting its federal borrowing capabilities - now set for Oct. 18 - and urged Congress to act in order to avert "serious harm" to the economy.

"At that point, we expect Treasury would be left with very limited resources that would be depleted quickly," she wrote in her latest letter to congressional leaders.

"It is uncertain whether we could continue to meet all the nation's commitments after that date," she added in the letter, one day after Senate Republicans rejected a measure to raise the nation's borrowing limit to pay for previously incurred government spending.

The Treasury had already enacted "extraordinary measures" to keep government funds flowing after the debt ceiling was reached over the summer. But those measures will run out in about 20 days, although the exact date could vary, Yellen said.

"This uncertainty underscores the critical importance of not waiting to raise or suspend the debt limit," she said.

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

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