

Daily Market Update

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

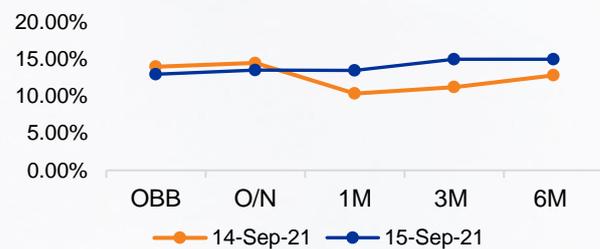
Wednesday, 15 September 2021

Money Market

The market liquidity opened at ₦87bn boosted by yesterday's OMO maturity of ₦38bn. Consequently, Overnight and OBB rates declined by average of 98bps to close at 13.55 percent and 13 percent, respectively.

We expect rates to increase tomorrow as market participants fund for NTB Auction, possible OMO Auction and Retail FX Auction on Friday.

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. Consequently, the Naira remained relatively stable against the dollar closing the day at \$/₦411.06.

The NAFEX rate appreciated marginally by ₦0.05 to close at \$/₦411.88 and we expect rates to continue to trade at these levels tomorrow.

FX Rates	Current	Previous	%Δ
Indicative I&E Open	412.46	412.18	0.07
I&E Closing	412.06	412.08	0.00
NAFEX	411.88	411.93	(0.01)
BDC Rate	555.00	550.00	0.91

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 and sold ₦155.88bn across the standard tenors from a subscription of ₦111.32bn. Stop rates were maintained at 2.50%, 3.50%, and 7.20% across the 91-, 182- and 364-day maturities, respectively.

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(%)
30-Sep-21	3.65	19-Oct-21	5.11
14-Oct-21	3.76	02-Nov-21	5.63
10-Feb-22	4.76	07-Dec-22	6.33
28-Apr-22	5.48	01-Mar-22	6.30
12-May-22	5.59	15-Mar-22	6.36

BONDS

The FGN bond market opened with bearish sentiments across board as market players continued to improve their offers. The secondary market however began to retrace as some investors accepted 13.50% on the long end of the curve at a reasonable level to take some positions. This was however short-lived as the bearish trend became dominant towards the end of market, with trades printing as high as 13.60% on the 30Yr re-opening (2050 bond). Overall, yields closed an average of 5bps higher than opening levels. We expect the market to trade cautiously as we approach the MPC meeting.

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	9.34	8.91	4.82
13.53 23-MAR-2025	10.00	10.27	(2.63)
16.2884 17-MAR-2027	11.70	11.70	0.00
13.98 23-FEB-2028	11.80	11.80	0.00
12.40 18-MAR-2036	12.80	12.74	0.47
16.2499 18-APR-2037	12.81	12.66	1.18
12.98 27-MAR-2050	13.55	13.25	2.26

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	12.50
Inflation y/y (%)	17.01	17.38
Foreign Reserves (Gross \$'Bn)	34.86	34.78

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3827	1M	0.07188	WTI	↑ 72.35
EUR/USD	1.1824	3M	0.11800	BRENT	↑ 75.40
USD/JPY	109.25	6M	0.14788	GOLD	↓ 1,798.69
USD/CHF	0.9172	12M	0.22250	SILVER	↓ 23.87

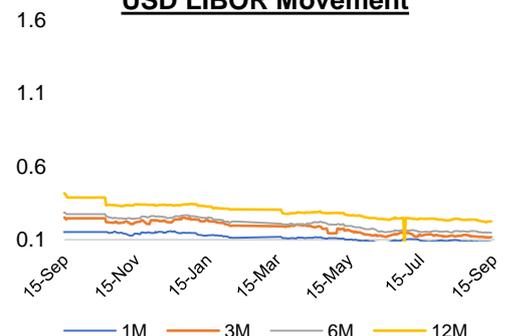
Auction Results

Tenor/Maturity	NTB AUCTION – September 15, 2021			OMO AUCTION – September 09, 2021		
	91-day	182-day	364-day	117-day	194-day	341-day
Offer / Subscription (₦'Bn)	1.61/1.89	5.91/4.42	148.36/105.02	10.00/18.20	10.00/15.80	30/95.27
Total Allotment (₦'Bn)	0.96	3.61	151.31	10.00	10.00	30.00
Stop Rate(%)	2.50	3.50	7.20	7.00	8.50	10.10

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 10.50% 2021	3.31	0.62	100.625	100.875
ZENITH 7.375% 2022	3.02	1.97	103.125	103.750
ECOBANK 9.5% 2024	6.16	5.85	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

NAIRA FALLS FURTHER TO N557/\$ ON SPECULATION

The value of the naira continued its freefall on the parallel market as speculators continued to mop up and hoard dollars while at the Investors' and Exporters' window, the value of the local currency remained around N412 to the greenback. At the parallel market the value of the naira depreciated by N12 2.2 per cent within two days. Compared to N545 to the dollar at which it closed last Saturday, the naira fell to N550 at the close of business on Monday and further depreciated to N557 to the dollar at the end of business yesterday.

At the I&E window, the naira which closed last week Friday at N412 had depreciated to N412.75 but appreciated on Tuesday to close at N412.08 to the dollar. Volume at the window had soared by 83.10 per cent with \$161.82 million on Monday as against the \$88.39 million posted at the close of trading last week Friday. The depreciation of the naira at the parallel window has continued to widen as it rose to N145 from N85 which it was before the Central Bank stopped selling foreign exchange to bureau de change operators amidst a rise in speculation in the foreign exchange market. Meanwhile, the external reserves continued its accretion as the 30-day moving average stands at \$34.859 billion as at September 10, 2021 compared to \$34.1 billion which it was at the beginning of the year.

GLOBAL NEWS

UK INFLATION SOARS TO 9-YEAR HIGH ON REBOUND FROM RESTAURANT DISCOUNT SCHEME

British inflation hit a more than nine-year high last month after the biggest monthly jump in the annual rate in at least 24 years, largely due to a one-off boost reflecting the "Eat Out to Help Out" scheme that pushed down restaurant meal prices last year. Consumer prices rose by 3.2% in annual terms last month after a 2.0% rise in July, the highest rate since March 2012, the Office for National Statistics said. The 1.2 percentage point rise in the annual rate of inflation in the space of a month marked the sharpest such increase since detailed records started in 1997.

In August 2020 the government offered diners up a 50% discount of up to 10 pounds (\$13.82) per head on meals between Mondays and Wednesdays to kick-start the economy and encourage people to spend money again after the pandemic lockdown. Restaurant prices represented more than half of the 1.2 percentage point rise in headline inflation last month. Still, the sharper-than-expected rise in inflation will be noticed by Bank of England policymakers who are weighing up whether to call an early end to the stimulus plan launched at the height of the COVID-19 pandemic last year. "Higher inflation will inevitably raise questions for the Bank of England on the timing of tightening monetary policy and interest rate hikes to contain inflationary risks further down the line," said Yael Selfin, chief economist at KPMG UK. "However, any tightening now risks scuppering the recovery before it has a chance to take hold, so a delay until the middle of next year is likely."

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

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



Africa | Asia | Europe | Middle East



more than banking