

# Daily Market Update

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

Tuesday, 05 October 2021

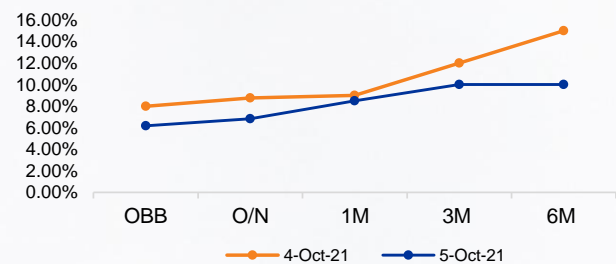
## Money Market

System liquidity opened the day with a balance of N85bn, a significant decline from the previous day's opening of N191bn .

Despite the decline in market liquidity , OBB and Overnight rates decreased by 180bps to close at 6.17% and 6.83% respectively as no significant funding was recorded.

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

### Money Market Rate Movement



## Foreign Exchange

The market remained illiquid as demand continued to outweigh the supply at the Investors and Exporters' window. Consequently, the Naira weakened by 75kobo to close at \$/N414.30

The NAFEX rate depreciated against the Greenback by 42kobo to close at \$/N413.30 during today's trading session and we anticipate that rates will trade at similar levels tomorrow.

We also expect the Central Bank to intervene in the Investors and Exporters' window for Foreign Portfolio Investors tomorrow.

FX Rates	Current	Previous	%Δ
Indicative I&E Open	414.03	413.71	0.08%
I&E Closing	414.30	413.55	0.18%
NAFEX	413.30	412.88	0.10%

## Treasury Bills

The Treasury Bills secondary market traded 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, rates remained largely unchanged from opening levels.

We expect the market to open on a quiet note tomorrow as market players continue to trade cautiously.

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
14-Oct-21	2.88	19-Oct-21	5.11
11-Nov-21	3.20	07-Dec-22	6.43
28-Apr-22	5.01	01-Mar-22	6.20
12-May-22	5.51	15-Mar-22	6.37
8-Sep-22	7.00	16-Aug-22	7.07

## BONDS

The FGN Bond market traded on a very quiet note and this trend persisted throughout the trading session. We saw a bit of demand half way through the trading session with emphasis on the shorter and medium tenured bonds. Yields declined by c.10bps from opening levels at the belly of the curve. Firm bids for the medium and long tenured securities were quoted at 12.95% and 13.10% but very few trades were consummated.

We expect rates to decline further tomorrow as bond holders resist the current market yields.

### FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	8.12	8.12	0.00%
13.53 23-MAR-2025	9.60	9.60	0.00%
16.2884 17-MAR-2027	10.96	10.96	0.00%
13.98 23-FEB-2028	11.55	11.55	0.00%
12.40 18-MAR-2036	12.95	12.73	1.73%
16.2499 18-APR-2037	12.96	12.76	1.57%
12.98 27-MAR-2050	13.20	13.15	0.38%

### Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	17.01	17.38
Foreign Reserves (Gross \$'Bn )	36.41	36.60

### Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3640	1M	0.07788	WTI	79.02
EUR/USD	1.1605	3M	0.12663	BRENT	82.78
USD/JPY	111.42	6M	0.15550	GOLD	1,760.15
USD/CHF	0.9275	12M	0.23200	SILVER	22.613

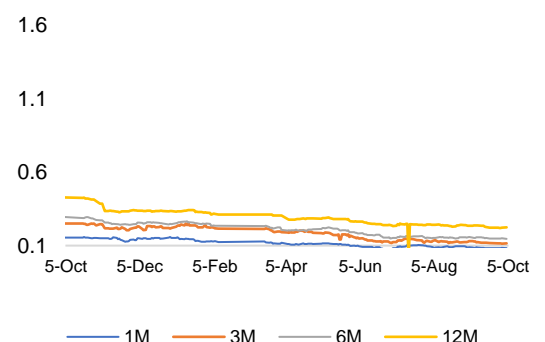
### Auction Results

Tenor/Maturity	BOND AUCTION – September 22, 2021			NTB AUCTION – September 29, 2021		
	7-Year	15-Year	30-Year	91-day	182-day	364-day
Offer / Subscription (₦'Bn)	50.00/52.43	50.00/125.58	50.00/156.31	2.263/5.469	3.240/2.948	106.370/166.324
Total Allotment (₦'Bn)	42.37	115.85	118.83	4.612	2.091	108.712
Stop Rate(%)	11.60	12.75	13.00	2.5	3.4999	7.5

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125 % 2026	5.95	5.83	100.750	101.250
ACCESS 9.125 % PERP	9.05	9.02	100	100.375
ZENITH 7.375% 2022	3.43	2.66	102.50	103.00
ECOBANK 9.5% 2024	6.04	5.73	108	108.75
NGERIA 7.875% 2032	7.54	7.44	102.375	103.125
GHANA 7.625% MAY 2029	9.03	8.87	92.00	92.75

### USD LIBOR Movement





## DOMESTIC NEWS

### DMO OFFERS OCTOBER 2021 FGN SAVINGS BOND FOR SUBSCRIPTION

The Debt Management Office (DMO), has announced on behalf of the Federal Government of Nigeria, the offer for the subscription of the October 2021 Federal Government Savings Bond to investors.

This is according to a recent circular issued by the DMO which can be seen on its website. The circular notes that the bonds are in two tranches, which are 2-year and 3-year saving bonds.

A breakdown of the bonds shows that the 2-year FGN savings bond will be due on the 13th October 2023 at the rate of 6.899% per annum and the 3-year FGN savings bond will be due on the same date in 2024 at 7.899% per annum.

According to the disclosure, the security is backed by the full faith and credit of the Federal Government of Nigeria and charged upon the general assets of Nigeria.

It also qualifies as Government securities within the meaning of Company Income Tax Act (CITA) and Personal Income Tax Act (PITA) for Tax Exemption for Pension Funds, for amongst other investors.

## GLOBAL NEWS

### CHINA'S ENERGY CRISIS PUTS GLOBAL ECONOMIC RECOVERY AT RISK

Soaring prices for natural gas and electricity in Europe have caught international media attention in recent weeks but a pandemic-related energy crisis is also buffeting China, where coal stocks are perilously low. The energy crunch in China will have greater consequences for the global economy than Europe's energy squeeze, they warn.

Some Chinese regions are rationing energy to factories and two-thirds of the country experienced blackouts last week as China grapples with its worst power shortages in a decade.

Government-run media have maintained an optimistic tone but even the Global Times, the English-language Chinese Communist Party news outlet, recently acknowledged "there were some gaps that may have caused the collapse of the (northeast) power grid, which added to the regional power shortage."

"China's power shortages are a reflection of the global strain in energy markets and won't be resolved overnight," said Julian Evans-Pritchard, the consultancy's senior China economist. "Power rationing will constrain industrial activity until demand weakens enough to bring the domestic electricity market back into equilibrium," he added.

**Sources:** FMDQ, Access Bank Treasury Team, Bloomberg, Reuters, TheGuardian.

**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](http://accessbankplc.com)



Africa | Asia | Europe | Middle East



more than banking