

# Daily Market Update

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

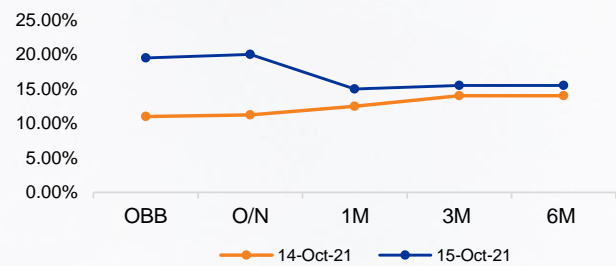
Friday, 15 October 2021

## Money Market

System liquidity opened with a credit balance of ₦219bn due to refund from previous Retail SMIS Auction. Despite this improvement, OBB and Overnight rates increased by 863bps to close the week at 19.5% and 20% respectively as market participants funded their operating account to accommodate today's FX Auction and CRR debits by the Apex bank

We expect the rates to decline slightly opening the week barring any significant funding activity.

Money Market Rate Movement



## Foreign Exchange

Closing the trading week, NAFEX rate showed an appreciation of the Naira against the Dollar day on day by 11 kobo to close at \$/₦413.37

The paucity of funds continued at the Investors' and Exporters' Window as bids continue to outweigh offers in the market. Nevertheless, the Naira gained against the dollars by ₦7.00 to close at \$/₦415.07

As anticipated, the CBN conducted its bi-weekly Retail SMIS auction today. We expect rates to remain stable at sub \$/₦420 level in the market next week.

FX Rates	Current	Previous	%Δ
Indicative I&E Open	415.09	413.50	0.38
I&E Closing	415.07	422.07	(1.66)
NAFEX	413.37	413.48	(0.03)

## Treasury Bills

The Treasury Bills secondary market closed the week on a quiet note as market participants remained on the sidelines. As the trading day progressed, we observed some buying interest across the long end of the OMO and NTB curves with minimal trades consummated by market close. Consequently, yields remained largely unchanged from opening levels.

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

## Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
28-Oct-21	3.14	02-Nov-21	5.63
11-Nov-21	3.25	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	6.90	16-Aug-22	6.90





## DOMESTIC NEWS

### NIGERIA MULLS RETURN TO EUROBOND MARKET FOR \$2.1BN BORROWING

The Federal Government is considering a return to the Eurobonds market for the balance of its \$6.1bn external borrowing after it successfully raised \$4bn in September. The Director-General of the Debt Management Office (DMO), Mrs Patience Oniha, gave the hint during an interview in London obtained by our correspondent on Thursday. Oniha said the international investors had shown interest in engaging the government after a global investors meeting and roadshow, as they were still optimistic about the country's credit status. She said, "One of the questions that kept coming up was the balance of the new external borrowing for 2021, which is about \$6.1bn. "We are going to have a meeting with our transaction parties after this engagement if we will come back to the market for the balance. "We need to assess the market to understand how to proceed. We remain confident international investors find our credit story enticing enough."

The Director-General of the Budget Office, Ben Akabueze, in a separate interview said though investors were concerned about debt sustainability, the Federal Government had given an assurance on that.

## GLOBAL NEWS

### WORLD BANK, IMFC SEEK REDUCTION, RESTRUCTURING TO CHECK DEBT DISTRESS

President of the World Bank Group, David Malpass, is seeking cooperation of the global community on a set of action points to prevent the looming debt crisis. At a press conference on the ongoing annual meetings, Malpass said a "compressive approach" is required to prevent the debt crisis. He noted that many countries were facing external debt distress or at high risk of it. He pointed out debt reduction, swifter restructuring and more transparency as necessary actions that must be taken to make progress in tackling the debt crisis. "We need new systems to push that along, because so many countries are in external debt distress or at high risk of it. We need a comprehensive approach.

The World Bank had earlier released a debt report, which showed a dramatic increase in debt levels and the sustainability problems. Malpass, during the press conference, spoke extensively on debt, vaccination and climate change, describing them as major challenges the global community must address to achieve sustainable growth. He mentioned that the vaccination had continued to worsen the two track growth challenge that resulted from the COVID-19 and called on developed countries to assist regions with less vaccination capacity.

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

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