

# Daily Market Update

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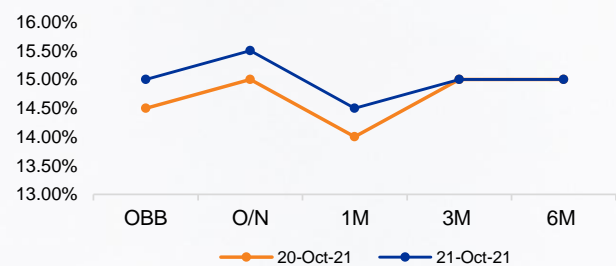
## Money Market

System liquidity opened with a credit balance of ₦102bn which was an improvement of ₦80bn from the previous day. The CBN floated an OMO Auction where ₦30bn was mopped from the system.

Consequently, OBB and Overnight rates increased by 50bps to close the day at 15.00% and 15.50% respectively as market participants funded the OMO Auction and tomorrow's Bond Auction debit.

We expect rates to inch up slightly tomorrow.

Money Market Rate Movement



## Foreign Exchange

The illiquidity in the market persisted with local corporates bidding for funds to clear their outstanding obligations. Consequently, rates at the Investors' & Exporters' window recorded a depreciation of ₦1.00 to close at \$/₦415.07.

Also, the NAFEX rate weakened by 44 kobo day-on-day to close at \$/₦413.48 and we anticipate that rates will trade at similar levels tomorrow.

We expect the Central Bank to release the result of its biweekly Retail SMIS Auction tomorrow.

FX Rates	Current	Previous	%Δ
Indicative I&E Open	413.94	414.18	(0.06)
I&E Closing	415.07	414.07	0.24
NAFEX	413.48	413.04	0.11

## Treasury Bills

The Treasury Bills market opened on a quiet note as market participants shifted their attention to the OMO auction floated before the commencement of the trading session. There was slight bullish sentiment across the NTB maturities albeit only a handful of trades were consummated across the long end of the curve.

A total of ₦30bn was offered and sold at the OMO auction across three tenors with stop rates remaining unchanged to close at 7.00%, 8.50%, and 10.10%, on the 103-, and 180- and 348-day maturities, respectively.

We expect market to trade with mixed sentiments, closing the week, given the relatively low level of market liquidity.

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	5.78	01-Mar-22	6.15
12-May-22	6.05	15-Mar-22	6.20
8-Sep-22	6.48	16-Aug-22	6.65





## DOMESTIC NEWS

### FG INAUGURATES BOARD OF NEW PETROLEUM REGULATORS

The Federal Government announced the inauguration of a new governing board for the Nigerian Upstream Regulatory Commission (NURC) and Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), which would oversee the regulatory implementation of the PIA and Nigeria's oil industry. The inauguration was done by Chief Timipre Sylva, Minister of State for Petroleum Resources on Wednesday.

The Minister stated that it was a regular transition due to the new passage of the PIA as he inaugurated the new Chief Executive Officers (CEOs) and members of the Governing Boards of the Commission and Authority. "The law stipulates that certain actions must be taken, which include winding down of the DPR and inauguration of the two successor agencies," he said, assuring that staff will have their emoluments and entitlements, which were fully protected by law, while anything concerning their welfare would not be compromised. "No job or remuneration will be lost in the process, the transition is by law and the law protects you completely," Sylva said. He also said that for DPR staff, their ongoing yearly promotion issues would be resolved and tasked the newly appointed CEOs to ensure that the process was concluded expeditiously before the end of 2021.

## GLOBAL NEWS

### U.S. WEEKLY JOBLESS CLAIMS HIT 19-MONTH LOW AS LABOR MARKET TIGHTENS

The number of Americans filing new claims for unemployment benefits dropped to a 19-month low last week, pointing to a tightening labor market, though a shortage of workers could keep the pace of hiring moderate in October.

The weekly unemployment claims report from the Labor Department on Thursday, the most timely data on the economy's health, also showed unemployment rolls shrinking significantly early this month. There is cautious optimism that the expiration of federal government-funded benefits on Sept. 6 will broaden the pool of labor in the coming months.

"Hiring demands remain robust, and the short supply of potential workers should make employers think twice about cutting payrolls," said Jim Baird, chief investment officer at Plante Moran Financial Advisors in Kalamazoo, Michigan.

Initial claims for state unemployment benefits fell 6,000 to a seasonally adjusted 290,000 for the week ended Oct. 16, the lowest level since the middle of March in 2020, when the nation was in the early stage of the COVID-19 pandemic.

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

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