

Daily Market Update

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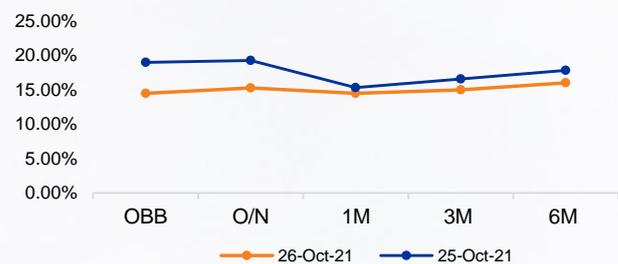
Money Market

The market remained illiquid with a repo of ₦40bn for the second consecutive trading day.

The OMO credit of ₦93bn provided a little respite on market liquidity. Consequently, OBB and O/N rates declined by 100bps to close at 14.50% and 15.25%.

We expect rates to decline further tomorrow as we anticipate the October 2021 FAAC disbursement into the system.

Money Market Rate Movement



Foreign Exchange

The illiquidity at the Investors' and Exporters' Window persisted during today's trading session as demand for funds continue to outweigh supply in the market with the Central Bank intervening in the market for Foreign Portfolio investors. Nevertheless, the Naira weakened marginally by 3 Kobo to close at \$/₦415.10 and we expect trade at these levels tomorrow barring any significant market activity.

The NAFEX rate depreciated significantly by ₦8.34 day on day to close at \$/₦422.17.

We also 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	414.04	414.05	0.00
I&E Closing	415.10	415.07	(0.01)
NAFEX	422.17	413.74	(2.04)

Treasury Bills

The Treasury Bills secondary market opened on a slightly bullish note as market participants selectively showed bids across the curve. This was largely due to the improved system liquidity from the OMO maturity of ₦93bn.

The bullish undertone persisted for most of the trading session. Consequently, closing rates declined marginally by about 2 bps across the traded maturities.

We expect a predominantly quiet market tomorrow as the NTB auction of ₦150bn takes center stage.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
11-Nov-21	3.25	02-Nov-21	5.63
13-Jan-22	3.73	07-Dec-21	6.43
28-Apr-22	5.04	01-Mar-22	6.15
9-Jun-22	6.16	15-Mar-22	6.20
8-Sep-22	6.48	16-Aug-22	6.65



DOMESTIC NEWS

FG SAYS PETROL SUBSIDY WILL STOP FROM JULY 2022 AS WORLD BANK CRITICIZES POLICY

The Federal Government has announced plans to discontinue the payment of petrol subsidy by the second half of 2022.

This is as the World Bank has condemned the continuous heavy expenditure by the Federal Government on petrol subsidy which affects spending in other critical sectors.

This was made known by the Minister of Finance, Budget and National Planning, Zainab Ahmed, while speaking at a panel session during the ongoing 27th National Economic Summit, on Monday, October 25, where she said that the federal government has made provision for petrol subsidy till the end of the year.

S&P 500 HITS RECORD HIGH ON TECH STRENGTH, EARNINGS CHEER

Gains in Tesla, Nvidia and other heavyweight technology names helped the benchmark S&P 500 index scale a record high on Tuesday, while upbeat results from UPS and GE added to optimism around the third-quarter earnings season.

Tesla Inc ([TSLA.O](#)) rose 1%, extending a record run that helped the electric-car maker surpass \$1 trillion in market value on Monday after landing its biggest-ever order from rental car company Hertz

"Investors are prepared for the worst and are looking at the near-term positives against what lies ahead and that is helping gains at an index level," said Arthur Hogan, chief market strategist at National Securities in New York.

"The key component of the weak outlooks are led by supply and not because of lack of demand for companies ... there is confidence that corporate America will be able to navigate through a lot of the supply and inflation headwinds."

Earnings at S&P 500 companies are expected to grow 35.6% year-on-year for the third quarter, with market participants assessing how companies are navigating supply-chain bottlenecks, labor shortages and inflationary pressures.

Sources: FMDQ, Access Bank Treasury Team, Bloomberg, BBC, The Nation.

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