

Daily Market Update

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

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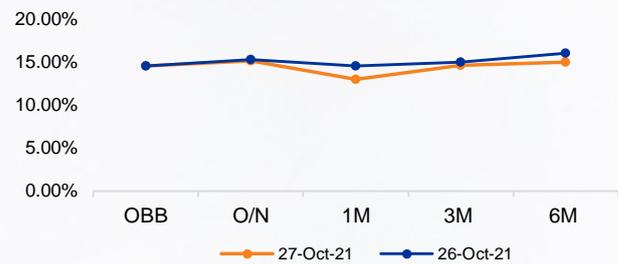
Money Market

System liquidity opened with a credit balance of ₦35bn after two consecutive days of Repo due to the coupon payments by DMO.

Consequently, OBB and Overnight rates declined slightly by 10bps to close the day at 14.50% and 15.15%.

We expect rates to increase as we expect the net NTB Auction debit of ₦85bn into the system tomorrow.

Money Market Rate Movement



Foreign Exchange

Today, at the Investors' and Exporters' Window, we witnessed the maturity of \$201.48m October 27, 2021 NDF contracts into the system amidst low supply of liquidity relative to demand in the market. However, the Central Bank of Nigeria intervened in the window through FX sales to FPIs. The Naira appreciated slightly by 3kobo to close at \$/₦415.07

The NAFEX rate rebounded from yesterday's depreciation to a gain of ₦8.22 to close at \$/₦413.95 and we anticipate rates will trade at these levels on Thursday

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	414.44	414.04	0.10
I&E Closing	415.07	415.10	(0.01)
NAFEX	413.95	422.17	(1.95)

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 a total of ₦150.05bn and sold ₦235.05bn across the standard tenors from a subscription of ₦431.12bn. Stop rates were maintained on the 91- and 182-day at 2.50% and 3.50% respectively, while the stop rate on the 364-day printed at 6.99% (↓26bps).

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(%)
11-Nov-21	3.25	16-Nov-21	6.14
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

ENTHUSIASM TRAILS E-NAIRA AS NIGERIANS DOWNLOAD 200,000 WALLETS IN 24 HOURS

In the first 24 hours after it was unveiled, the Central Bank Digital Currency (CBDC), also known as the e-Naira has continued to attract the interest of Nigerians with about 200,000 wallets downloaded in less than one day. A breakdown of the figures obtained by ThisDay yesterday, showed that in less than one day after the digital currency was launched by President Muhammadu Buhari 156,700 consumer wallets have so far been set up, while 23,650 merchant wallets have been open, which was a reflection of the strong interest the innovation has continued to attract.

It is expected that in the coming days, the amount would rise as the Central Bank of Nigeria (CBN) intensify awareness on the e-Naira. Buhari had said with the e-Naira, the country's Gross Domestic Product (GDP) was projected to rise by \$29 billion in the next 10 years. He had stressed that Nigeria was the first country in Africa and one of the first in the world to introduce digital currency. The President stated, "Indeed, some estimates indicate that the adoption of CBDC and its underlying technology, called blockchain, can increase Nigeria's GDP by US\$29 billion over the next 10 years.

OIL PRICES REMAIN UPBEAT AS BRENT REACHES \$86.3/B

Brent crude futures traded above \$86 per barrel yesterday, hitting \$86.3 as investors took a breather after a rally sent the benchmark oil contract to 3-year highs. This is as the WTI crude futures swung between gains and losses at around \$84 per barrel yesterday as markets await US inventory levels.

The US oil benchmark has been steadily rising since the fourth week of August to reach 7-year highs above \$85 due to an extraordinary recovery in demand following the reopening of major economies and shortages of coal and natural gas ahead of the winter season, especially in China. Concerns about demand from China weighed down on an otherwise bullish market sentiment, after government intervention cooled a surge in energy and coal prices.

Still, prospects for a colder-than-usual November month, coupled with OPEC+ countries' strategy to keep supplies tight, have been pushing the market closer to a squeeze. Later in the day, investors will gauge on API crude oil stocks change to assess the strength of US demand.

Sources: FMDQ, Access Bank Treasury Team, Bloomberg, BBC, ThisDay.

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