

Daily Market Update

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

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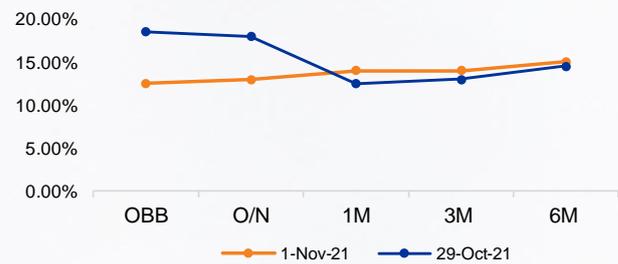
Money Market

System liquidity opened the week with a credit balance of ₦94bn despite Friday's FX Auction. This liquidity was further boosted by the FAAC disbursement into the system of c. ₦438bn.

Consequently, OBB and Overnight rates reduced significantly by 550bps to close the day at 13.00% and 12.50% respectively.

We expect the rates to plunge further tomorrow as OMO repayment of ₦53.8bn matures into the system.

Money Market Rate Movement



Foreign Exchange

At the start of the week, NAFEX rate appreciated day on day by 67 kobo to close at \$/₦413.28.

The FPI intervention by the CBN and the provision of funds for SME, PTA/BTA, Medicals and School Fees, were the highlights of today's trading session. However, the market remained illiquid as bids continue to outweigh offers. Nevertheless, the Naira appreciated marginally against the Dollar by 12 kobo to close at \$/₦414.98

We anticipate no significant change in market rates during the week.

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	414.12	414.49	(0.09)
I&E Closing	414.98	415.10	(0.03)
NAFEX	413.28	413.95	(0.16)

Treasury Bills

The Treasury Bills secondary market opened with sustained bullish sentiment across the mid to long tenured maturities buoyed by the FAAC credit in the system today. The trend was sustained throughout the trading session. A handful of trades were consummated across the mid to the long end of the curve as offers were limited.

We expect a quiet trading session tomorrow as market players trade cautiously despite the OMO maturity of ₦54bn.

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

BONDS

Opening the new month, the Bond market traded on a quiet note, with few offers seen in the secondary market on the 2026 and 2028 maturities, this lasted throughout the trading session with few trades consummated. Rates remained relatively stable from the opening levels.

We expect market to trade quietly tomorrow as investors continue to trade cautiously.

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	8.1	8.12	(0.02)
13.53 23-MAR-2025	10.47	10.48	(0.01)
16.2884 17-MAR-2027	11.58	11.58	0.00
13.98 23-FEB-2028	11.56	11.56	0.00
12.40 18-MAR-2036	12.76	12.76	0.00
16.2499 18-APR-2037	12.94	12.94	0.00
12.98 27-MAR-2050	13.1	13.10	0.00

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	16.63	16.63
Foreign Reserves (Gross \$'Bn)	41.82	41.83

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3679	1M	0.08750	WTI	↑ 84.13
EUR/USD	1.1590	3M	0.13225	BRENT	↑ 84.43
USD/JPY	114.19	6M	0.20100	GOLD	↑ 1,791.20
USD/CHF	0.9107	12M	0.36113	SILVER	↑ 24.07

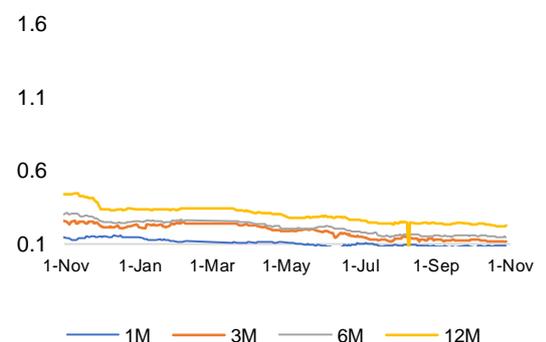
Auction Results

Tenor/Maturity	BOND AUCTION – October 20, 2021			OMO AUCTION – October 28, 2021		
	5-Yr	15-Yr	30-Yr	82-day	180-day	355-day
Offer / Subscription (₦'Bn)	50.00/49.05	50.00/80.92	50.000/120.74	5.00/7.00	5.00/7.50	10.00/37.50
Total Allotment (₦'Bn)	44.80	52.72	95.24	4.00	5.00	10.00
Stop Rate(%)	11.65	12.95	13.20	7.00	8.50	10.10

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.06	5.94	100.250	100.750
ACCESS 9.125% PERP	9.31	9.26	98.875	99.375
ZENITH 7.375% 2022	3.38	2.52	102.250	102.750
ECOBANK 9.5% 2024	5.58	5.27	108.875	109.625
NIGERIA 7.875% 2032	7.62	7.52	101.875	102.625
GHANA 7.625% MAY 2029	10.25	10.05	87.750	88.625

USD LIBOR Movement





DOMESTIC NEWS

CBN UNVEILS FRAMEWORK TO EMPOWER 100 COMPANIES

The Central Bank of Nigeria (CBN) has commenced the 100 for 100 Policy on Production and Productivity with the unveiling of an operational framework to guide interested companies in participating in the initiative. The framework which was released on Sunday revealed the conditions interested companies must meet to qualify for the programme. This is the operational framework for a robust and transparent process for identifying and selecting high-impact companies and projects under the CBN's 100 for 100 PPP. "These are projects that must catalyse sustainable employment-led economic growth through increased domestic production and productivity in the near term," the framework read in part. "The projects for consideration shall be new projects in existing companies requiring new machinery and other support and must have the greatest potential to achieve significant scale in their in-country production and for domestic consumption and exports," it added.

CRUDE OIL SURGES; DEMAND STRONG AHEAD OF OPEC+ MEETING

Oil prices traded higher Monday on signs of strong demand even as China released fuel reserves and ahead of this week's meeting of top producers to discuss supply. By 8:30 AM ET (1330 GMT), U.S crude futures were up 1.4% at \$84.75 a barrel, while Brent futures climbed 1.4% at \$84.91 a barrel. U.S. Gasoline RBOB Futures were up 1.3% at \$2.4015 a gallon. Oil prices surged to multi-year highs last week, helped by post-pandemic demand rebounding around the globe. This continued Monday as data showed that diesel consumption in India, the third largest energy consumer in the world, rose above pre-Covid levels for the first time in a year. This was helped by increased industrial activity ahead of the festival season.

Attention now turns to Thursday's meeting of the Organization of the Petroleum Exporting Countries and their allies including Russia, a group called OPEC+, to discuss future supply levels. These top producers are widely expected to stick to their plan to add 400,000 barrels per day of supply in December, although they are under increasing pressure from consuming countries to increase output by more significant amounts to reduce prices.

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

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