

Daily Market Update

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

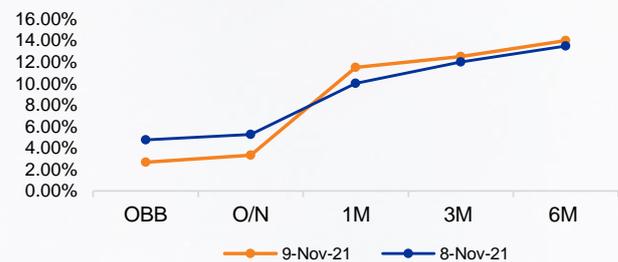
Tuesday, 09 November 2021

Money Market

The market liquidity opened the day at with an elevated level of ₦408bn as there was no significant funding activities in the market yesterday apart from SME & Invisible Intervention debit. Consequently, OBB and Overnight rates declined further by an average of 200bps to close at 2.67% and 3.33% respectively.

We expect the rates to inch-up slightly tomorrow as market participants fund for the NTB Auction.

Money Market Rate Movement



Foreign Exchange

The NAFEX rate appreciated by 7kobo to close at \$/₦413.54.

During today's trading, we witnessed low liquidity at the Investors' & Exporters Window relative to demand. Consequently, the Naira weakened against the Greenback by 52kobo to close at \$/₦415.07.

We expect rates to remain unchanged from these levels tomorrow barring any significant change in market sentiment.

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.57	414.01	(0.11)
I&E Closing	415.07	414.55	0.12
NAFEX	413.54	413.61	(0.02)

Treasury Bills

The Treasury Bills secondary market opened on a slightly bullish note as market participants selectively showed bids across the curve. This bullish undertone persisted for most of the trading session with very few trades concluded by close of market. Consequently, closing rates remained largely unchanged from opening levels.

Tomorrow, the DMO is scheduled to conduct an NTB auction with a total of ₦150.63bn on offer. Accordingly, we expect a predominantly quiet market as the auction takes center stage.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.75	07-Dec-21	6.15
10-Mar-22	4.25	01-Mar-22	5.62
9-Jun-22	5.50	15-Mar-22	5.67
11-Aug-22	6.13	16-Aug-22	6.20
13-Oct-22	6.70	04-Oct-22	6.36

BONDS

There was a lull in the FGN Bond market today, with minimal trades across board. We however noted some interest on the short-end of the benchmark curve (2023 – 2025 bonds) as local players continue to focus on short-tenured maturities amidst the uncertainty in the bond space. The 2024 was however the most actively traded at 9.30% levels given the illiquidity on the other maturities. Overall, yields remained largely the same as opening levels.

We expect a similar trend tomorrow, with the NTB auction taking center stage.

FGN Bond Yields

	Current (%)	Previous (%)	Δ
12.75 27-APR-2023	8.55	8.04	0.51
13.53 23-MAR-2025	10.58	10.58	0.00
16.2884 17-MAR-2027	11.56	11.56	0.00
13.98 23-FEB-2028	11.62	11.62	0.00
12.40 18-MAR-2036	12.79	12.79	0.00
16.2499 18-APR-2037	12.89	12.89	0.00
12.98 27-MAR-2050	13.15	13.09	0.06

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	16.63	17.01
Foreign Reserves (Gross \$'Bn)	41.70	41.72

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3545	1M	0.09113	WTI	82.71
EUR/USD	1.1582	3M	0.14563	BRENT	83.73
USD/JPY	112.96	6M	0.21900	GOLD	1,825.14
USD/CHF	0.9136	12M	0.35288	SILVER	24.14

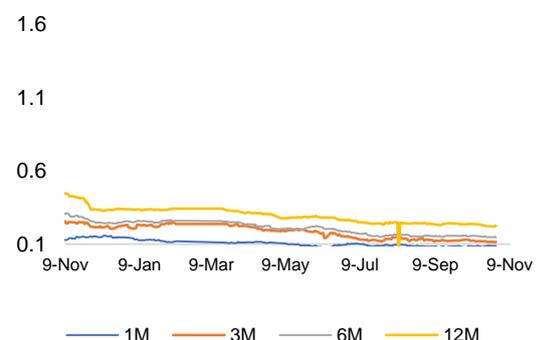
Auction Results

Tenor/Maturity	BOND AUCTION – October 20, 2021			OMO AUCTION – November 04, 2021		
	5-Yr	15-Yr	30-Yr	138-day	194-day	355-day
Offer / Subscription (₦'Bn)	50.00/49.05	50.00/80.92	50.000/120.74	5.00/11.50	5.00/14.00	15.00/75.25
Total Allotment (₦'Bn)	44.80	52.72	95.24	5.00	5.00	15.00
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	9.24	9.20	99.125	99.625
ZENITH 7.375% 2022	3.66	2.76	102.000	102.500
ECOBANK 9.5% 2024	5.39	4.97	109.250	110.250
NIGERIA 7.875% 2032	7.45	7.35	103.000	103.750
GHANA 7.625% MAY 2029	10.11	9.91	88.375	89.250

USD LIBOR Movement



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DOMESTIC NEWS

NIGERIA'S FMDQ OPENS EXCHANGE TO LURE FIRMS TO LIST GREEN BONDS

FMDQ Group, a Nigerian fixed-income exchange operator, said it started a new bourse to lure sellers of green bonds. The platform will help promote green and sustainable finance, Chief Executive Officer Bola Onadele. Koko said at a virtual conference in Lagos on Monday.

Nigeria, Africa's biggest economy and its top crude producer, is seeking to utilize green securities to fund its plans to cut emissions as well as finance water and agriculture projects. Since the government sold the continent's first sustainable debt in 2017, both public and private sector firms have sold 55 billion naira (\$133 million) of green securities, Onadele said.

The West African nation plans to be in the market "sometime next year," to raise green funding if it gets the approval of lawmakers for the projects, Patience Oniha, head of the debt management agency said at the same conference, without providing more details. "It is expected that going forward the federal government will be an active issuer in the FMDQ green exchange," Onadele said.

GLOBAL NEWS

TREASURIES RISE ON FED SPECULATION; STOCKS FALL

U.S. Treasuries rose and equities declined as investors speculated about a change in leadership at the Federal Reserve. Treasuries yields fell after Fed Governor Lael Brainard, seen as more dovish by some, was interviewed for the central bank's top job, and they continued to plunge after prices paid to U.S. producers in October accelerated in line with estimates.

The S&P 500 shed 0.4%, halting an eight-day rally to a record, led by losses in energy and consumer discretionary stocks. Tesla Inc. sank as much as 11%, weighing on the index. PayPal Holdings Inc. fell 12% after its guidance disappointed, and General Electric Co. surged 4.8% after saying it will split into three companies. Meanwhile, European equities declined, and Asian stocks were mixed.

Global equities are hovering near all-time highs as investors weigh strong earnings, easing travel curbs and U.S. infrastructure spending against the risk of persistent inflation that may lead to tighter monetary policy. Consumer price data on Wednesday will offer traders the latest reading on price pressures.

Sources: FMDQ, Access Bank Treasury Team, Bloomberg

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