

Daily Market Update

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

Tuesday, 16 November 2021

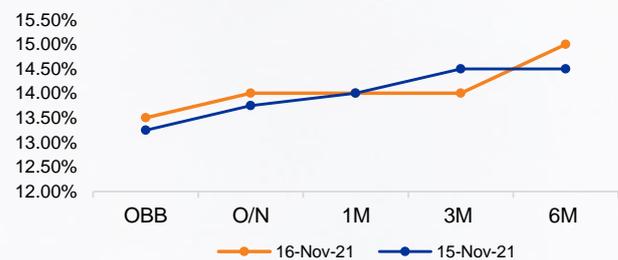
Money Market

Market liquidity opened the day with a relatively low balance of ₦9bn attributed to Monday's SME and Invisibles FX allocation debit, this was later boosted by the OMO maturity of ₦70.5bn.

Despite the OMO maturity, OBB and O/N rates increased by 25bps to close the day at 13.50% and 14.50% respectively as Banks funded for their obligations.

We expect rates to hover around this levels tomorrow despite any significant funding activity

Money Market Rate Movement



Foreign Exchange

The NAFEX depreciated by ₦0.46 to close at \$/₦413.78

Meanwhile, the illiquidity at the Investors' and Exporters' Window persisted during today's trading session as demand for the funds continue to outweigh supply in the market. However, the Naira remained stable against the dollar to close at \$/₦415.10.

We expect, the Central Bank of Nigeria intervene in the Foreign Exchange market tomorrow through provision of funds for foreign portfolio investors

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	414.55	413.74	0.20
I&E Closing	415.10	415.10	0.00
NAFEX	413.80	413.34	0.11

Treasury Bills

The Treasury Bills secondary market opened on a slightly bullish note with market participants scouting for attractive yields around the mid & long dated maturities, this can be attributed to an improved system liquidity coming from the OMO maturity of today.

Although, the demand for the long tenured bills lingered throughout the trading session, average rates around these maturities declined marginally from opening levels.

We expect a calm trading session tomorrow as market participants focus their attention on the outcome of the Bond auction.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.69	07-Dec-21	5.31
10-Mar-22	4.31	01-Mar-22	5.44
9-Jun-22	5.31	15-Mar-22	5.47
11-Aug-22	6.00	16-Aug-22	5.72
13-Oct-22	6.43	04-Oct-22	5.80

BONDS

As expected, the bond market opened on a quiet note as investors look forward to the auction for tomorrow. We witnessed minimal activity across the short and long tenured instrument. However, few trades were consummated with rates maintained from its opening levels.

We anticipate a quiet market tomorrow as the DMO is set to offer 150bn across the 2026, 2037 & 2050 maturities, attention will be focused on the auction as market players will wait to see the outcome.

FGN Bond Yields

	Current (%)	Previous (%)	Δ
12.75 27-APR-2023	8.49	8.50	(0.12)
13.53 23-MAR-2025	9.62	9.63	(0.10)
16.2884 17-MAR-2027	11.58	11.58	0.00
13.98 23-FEB-2028	11.68	11.68	0.00
12.40 18-MAR-2036	12.90	12.83	0.55
16.2499 18-APR-2037	12.94	12.94	0.00
12.98 27-MAR-2050	13.09	13.15	(0.46)

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.99	16.63
Foreign Reserves (Gross \$'Bn)	41.46	41.51

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3448	1M	0.09113	WTI	↓ 79.50
EUR/USD	1.1349	3M	0.15788	BRENT	↑ 82.08
USD/JPY	114.56	6M	0.22538	GOLD	↓ 1,862.95
USD/CHF	0.9286	12M	0.39425	SILVER	↓ 25.082

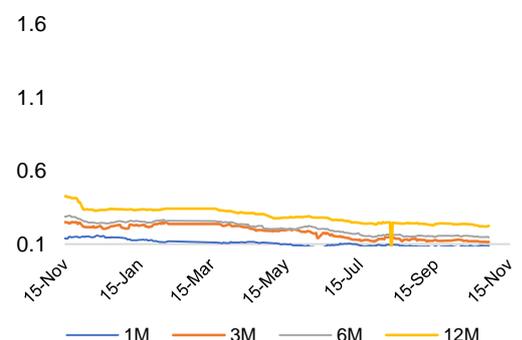
Auction Results

Tenor/Maturity	OMO AUCTION – November 04, 2021			NTB AUCTION – November 10, 2021		
	138-day	194-day	355-day	91-day	182-day	364-day
Offer / Subscription (₦'Bn)	5.00/11.50	5.00/14.00	15.00/75.25	4.80/4.87	7.99/3.80	138.03/566.21
Total Allotment (₦'Bn)	5.00	5.00	15.00	4.12	3.00	189.06
Stop Rate(%)	7.00	8.50	10.10	2.50	3.50	6.50

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.09	5.94	100.125	100.75
ACCESS 9.125% PERP	9.31	9.27	99.25	99.750
ZENITH 7.375% 2022	3.55	2.62	102.000	102.500
ECOBANK 9.5% 2024	5.47	5.05	109.000	110.000
NIGERIA 7.875% 2032	7.67	7.57	101.375	102.125
GHANA 7.625% MAY 2029	10.29	10.09	87.25	88.25

USD LIBOR Movement





DOMESTIC NEWS

IN DURBAN, BUHARI SAYS NIGERIA'S ECONOMY NOW RESTRUCTURED FROM OIL DEPENDENCE TO MULTIPLE REVENUE SOURCES

President Muhammadu Buhari has said his administration has transformed the nation's economy from being solely dependent on oil revenue to diverse revenue sources in the past years. He also stressed that the implementation of the free trade zone in Africa would lead to the doubling the continent's trade in 10 years. The President who spoke yesterday during the opening of the 2nd Intra-African Trade Fair 2021 holding in Durban, South Africa, emphasized that the Nigerian economy under his administration had witnessed a re-engineering.

The president stated that despite the fall in oil prices as well as challenge of insecurity in parts of the country, his administration had done well, especially in the areas of rail transportation. Asked what more he could do to support Small and Medium Scale Enterprises (SMEs), Buhari stated that his decision to invest in infrastructural development base was part of the plans to help the country's businesses grow.

GLOBAL NEWS

STOCKS TICK UP, DOLLAR HOLDS HIGH FOLLOWING STRONG RETAIL DATA

Wall Street opened higher on Tuesday as the dollar extended gains and strong U.S. retail sales data tempered concerns about the global economy. The Commerce Department reported that U.S. retail sales increased more than expected in October as shoppers kicked off the holiday-buying season, rising 1.7%, ahead of economist expectations. This led to optimism the United States could continue to drive the global recovery from the COVID-19 pandemic.

The retail data added to a more buoyant mood after U.S. President Joe Biden and Chinese leader Xi Jinping held more than three hours of virtual talks. The conversation between the leaders of the world's biggest economies appeared to yield no immediate outcome but is widely seen as a joint effort to improve icy relations and avoid direct confrontation. "Markets are trading north courtesy of the Biden-Xi virtual summit which seems to have somewhat defused U.S.-China tensions," said Stephane Ekolo, global equity strategist at Tradition in London. "Market participants view such a summit as a positive effort to stabilise a tense relationship, fueling risk-on mode appetite," he added.

Sources: FMDQ, Access Bank Treasury Team, Reuters, Nairametrics, Thisday

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