

Daily Market Update

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

Thursday, 18 November 2021

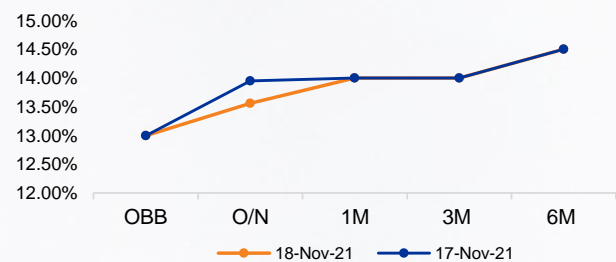
Money Market

This week, we have seen low levels of system liquidity as Banks have continued to scramble for funds to meet up with their obligations despite Tuesdays OMO maturity.

Average liquidity hovered around ₦93bn opening today, as such the OBB and O/N rates remain stable to close the day at 13.00% and 13.56% respectively as market participants funded for their obligations.

Closing the week we anticipate a slight increase in the rate due to the Bond auction debit.

Money Market Rate Movement



Foreign Exchange

The illiquidity in the market persisted with local corporates bidding for funds to clear their outstanding obligations. Consequently, rates at the Investors' & Exporters' window recorded a depreciation of ₦0.30 to close at \$/₦414.80

However, the NAFEX rate appreciated by 48 kobo day on day to close at \$/₦413.09 during today's trading session.

We expect the Central Bank to release the result of its bimonthly Retail SMIS auction tomorrow

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.19	413.74	(0.13)
I&E Closing	414.80	415.10	(0.07)
NAFEX	413.09	413.57	(0.12)

Treasury Bills

The Treasury bills market commenced the day's trading session on a bullish note as market participants continued to take position across the yield curve. There was an OMO auction announced by the CBN which shifted the attention of market participants.

A total of ₦25bn was offered and sold at the auction across three tenors with stop rates maintained at 7.00%, 8.50% and 10.10% on the 124-, 194- and 341-day maturities, respectively.

We expect the week to close with mixed sentiments given the level of system liquidity as market players resume replacing matured OMO bills

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	5.42
11-Aug-22	5.36	16-Aug-22	5.72
13-Oct-22	6.20	04-Oct-22	5.80

BONDS

The FGN Bond market traded on quiet note with local players actively seeking off-takers from the winnings at the bond auction conducted by the DMO yesterday.

We continued to see interest on the short-tenured papers but only a handful of trades were consummated across board. Overall yields on the benchmark bonds dipped marginally by a single basis point.

We expect the market to continue to trade on a weak note, as counterparties fund for the auction winnings.

FGN Bond Yields

	Current (%)	Previous (%)	Δ
12.75 27-APR-2023	8.58	8.58	0.00
13.53 23-MAR-2025	9.62	9.62	0.00
16.2884 17-MAR-2027	11.58	11.58	0.00
13.98 23-FEB-2028	11.79	11.68	0.94
12.40 18-MAR-2036	12.85	12.90	(0.39)
16.2499 18-APR-2037	12.90	12.94	(0.31)
12.98 27-MAR-2050	13.20	13.09	0.84

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.99	16.63
Foreign Reserves (Gross \$'Bn)	41.41	41.43

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.1349	1M	0.08875	WTI	↑ 78.03
EUR/USD	1.3470	3M	0.15750	BRENT	↑ 80.67
USD/JPY	114.28	6M	0.22775	GOLD	↓ 1,863.45
USD/CHF	0.9265	12M	0.39913	SILVER	↓ 24.915

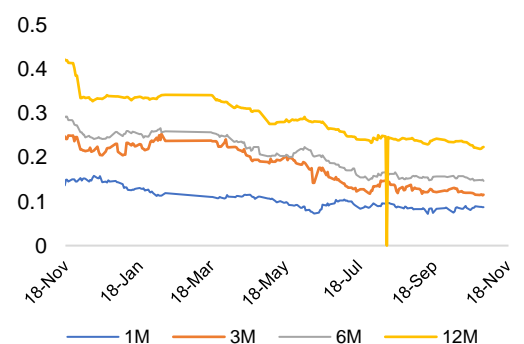
Auction Results

Tenor/Maturity	BOND AUCTION – November 17, 2021			OMO AUCTION – November 18, 2021		
	12 ½ 01/22/26	16.25 04/18/37	12.98 03/27/50	91-day	182-day	364-day
Offer / Subscription (₦'Bn)	50.00/50.75	50.00/46.69	50.00/155.91	5.00/9.00	5.00/18.00	15.00/67.36
Total Allotment (₦'Bn)	37.15	32.19	169.71	5.00	5.00	15.00
Stop Rate(%)	11.65	12.95	13.30	7.00	8.50	10.10

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.12	5.97	100	100.625
ACCESS 9.125% PERP	9.33	9.26	99	99.75
ZENITH 7.375% 2022	3.47	2.52	102	102.5
ECOBANK 9.5% 2024	5.45	5.03	109	110.000
NIGERIA 7.875% 2032	7.80	7.69	100.5	101.25
GHANA 7.625% MAY 2029	10.30	10.09	84.75	85.75

USD LIBOR Movement





DOMESTIC NEWS

DISQUIET AS PETROL SELLS FOR N159 PER LITRE AT DEPOT

There was disquiet yesterday over the hike in the price of petrol. Rejecting the increase, the Nigerian National Petroleum Corporation (NNPC) accused depot owners of a breach of agreement by raising the price by N11 per litre at their facilities. Following the increase, the depot price of the product has gone up from N148 per litre to N159.

The arbitrary hike represents 6.75 per cent in the price of the product at the depots. Independent Petroleum Marketers Association (IPMAN) National Vice President Abubakar Maigandi confirmed to our correspondent in Abuja on the telephone that marketers were lifting the product at N159 from private depots in Calabar and Port Harcourt. He said: "Our members are lifting the product at Calabar and Port Harcourt at N158 and N159 per litre." Maigandi said the development has aggravated the recent petrol scarcity in the country.

GLOBAL NEWS

HOUSEHOLD DEBT TOTAL PASSES \$15 TRILLION FOR THE FIRST TIME

Household debt passed \$15 trillion for the first time in the third quarter, as rising prices pushed up balances for homes and autos, the New York Federal Reserve reported Tuesday.

Mortgages rose 2.2% to nearly \$10.7 trillion, and autos increased \$28 billion as part of an overall \$286 billion increase in debt that brought the total household burden to \$15.24 trillion. That's up 1.9%, or \$286 billion, from the second quarter. The report covered the July to September period, part of a time when U.S. economic growth slowed to a 2% annualized pace amid worries over surging inflation and a pandemic-induced slowdown.

A separate report Monday from the New York Fed showed that while inflation expectations over the three-month horizon were unchanged at 4.2%, the one-year outlook sees prices rising 5.7%, the highest in a data series that goes back to 2013.

Sources: FMDQ, Access Bank Treasury Team, Reuters, Nairametrics, CNBC, The Nation

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