

Daily Market Update

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

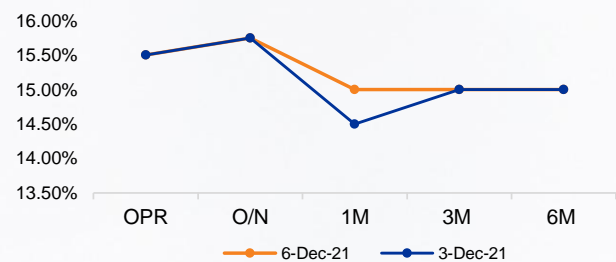
Monday, 06 December 2021

Money Market

System liquidity opened the week with a credit balance of ₦54bn with most counterparties assessing the CBN Window for funding. Consequently, Open Repo and Overnight rates remained stable at 15.50% and 15.75% respectively as there was no significant funding activity during the trading session

We expect the rates to decline slightly tomorrow as OMO maturity of ₦50bn impacts the system.

Money Market Rate Movement



Foreign Exchange

Opening the week, the Central Bank intervened in the market through provision of funds for SMEs and Invisibles transactions (PTA, BTA, School fees, Medicals, etc).

At the Investors' and Exporters' Window, we witnessed low supply of dollar liquidity relative to demand during today's trading session. However, the Central Bank of Nigeria intervened in the window through FX sales to FPIs. Consequently, the Naira weakened against the US Dollar by 27 kobo to close at \$/₦415.

The NAFEX rate depreciated by 7 kobo to close at \$/₦413.60. We expect rates to trade at similar levels tomorrow.

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.85	414.06	(0.05)
I&E Closing	415.00	414.73	0.06
NAFEX	413.60	413.53	0.02

Treasury Bills

The Treasury bills market commenced the week with frail sentiment across the OMO and NTB maturities. There were offers across the curve with emphasis on the long end. Nevertheless, minimal trades were consummated through the trading session.

We expect the bullish sentiment as the week progresses, given the OMO maturity of ₦50bn tomorrow.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.69	28-Dec-21	5.34
10-Mar-22	2.98	01-Mar-22	5.44
9-Jun-22	3.67	15-Mar-22	5.47
11-Aug-22	5.36	16-Aug-22	5.72
13-Oct-22	5.00	04-Oct-22	6.01

BONDS

The FGN Bond market opened the week on a calm note, with minimal trades across board. We witnessed fresh supply on the short end of the curve as the market progressed; emphasis was on the 2025 maturity while the mid and long-tenured bonds were firmly offered above the Auction levels. Towards the close of market, there was interest on the 2050 bond at 13.40%. Overall, yields across board remained the same as opening levels, given the sparse volumes trades in the market.

We expect a similar trend tomorrow, as local players continue to cherry-pick maturities across board.

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	8.24	8.25	(0.02)
13.53 23-MAR-2025	10.60	10.61	(0.01)
16.2884 17-MAR-2027	12.10	11.76	0.34
13.98 23-FEB-2028	12.27	11.86	0.41
12.40 18-MAR-2036	13.00	13.00	0.00
16.2499 18-APR-2037	13.06	13.06	0.00
12.98 27-MAR-2050	13.38	13.37	0.01

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.99	16.63
Foreign Reserves (Gross \$'Bn)	41.12	41.15

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3256	1M	0.10413	WTI	68.20
EUR/USD	1.1289	3M	0.18763	BRENT	71.81
USD/JPY	113.35	6M	0.27113	GOLD	1,783.91
USD/CHF	0.9250	12M	0.46150	SILVER	22.35

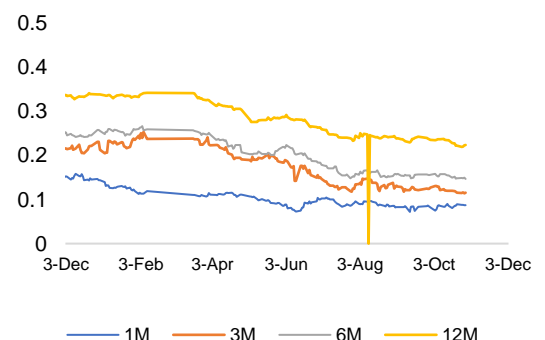
Auction Results

Tenor/Maturity	NTB AUCTION – November 24, 2021			OMO AUCTION – December 02, 2021		
	91-day	182-day	364-day	110-day	180-day	355-day
Offer / Subscription (₦'Bn)	3.54/9.04	4.12/4.28	111.07/402.95	10.00/7.00	10.00/12.50	20.00/53.28
Total Allotment (₦'Bn)	2.04	3.78	209.90	7.00	10.00	20.00
Stop Rate(%)	2.50	3.50	5.89	7.00	8.50	10.10

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.34	6.15	99.125	99.875
ACCESS 9.125% PERP	9.39	9.32	98.125	98.875
ZENITH 7.375% 2022	5.23	3.15	101.000	102.000
ECOBANK 9.5% 2024	5.88	5.44	107.875	108.875
NIGERIA 7.875% 2032	8.20	8.09	97.75	98.50
GHANA 7.625% MAY 2029	10.91	10.67	85.125	86.125

USD LIBOR Movement





DOMESTIC NEWS

ACCESS BANK RECORDS THREE WINS AT 2021 EMEA AWARDS

Access Bank Plc was honoured with the ‘Best Bank Nigeria’, ‘Best Private Bank Nigeria’, and ‘Pan-African Sustainability Award’ during the 2021 EMEA Finance African Banking Awards.

Group Managing Director/CEO, Access Bank Plc, Herbert Wigwe, said: “We, at Access Bank, are dedicated to setting the bar for responsible business practices, demonstrating corporate brand commitment to tackling social, economic, and environmental challenges as part of our relentless endeavour to offer more than banking. This, combined with our vision of becoming the world’s most respected African Bank, has led us to take the lead in promoting sustainable banking practices, financial inclusion, and the diversification of our local economies through altruistic CSR initiatives that have impacted the lives of many people.

“Today, we are one step closer to that vision, and we are honoured to have received these awards as we continue to work towards offering value to all our stakeholders,” he affirmed.

GLOBAL NEWS

SOUTH AFRICA FUELS OMICRON HOPE AS HOSPITALIZATIONS IN CHECK

South Africa’s surge in Covid-19 cases following the emergence of the omicron variant hasn’t overwhelmed hospitals so far, prompting some cautious optimism that the new strain may cause mostly mild illness.

Initial data from South Africa, the epicenter of the outbreak of the omicron variant, are “a bit encouraging regarding the severity,” Anthony Fauci, U.S. President Joe Biden’s chief medical adviser, said on Sunday. At the same time, he cautioned that it’s too early to be definitive.

Scientists and public-health officials are scouring available data to try to predict omicron’s impact as many questions about the new strain and its multiple mutations remain unanswered. The variant, now dominant in South Africa, has made its way from Tokyo to Oslo since its discovery was announced on Nov. 25.

The scramble for clarity has led to sometimes conflicting messages about how serious a threat omicron represents.

Sources: FMDQ, Access Bank Treasury Team, Reuters, Bloomberg, The Nation

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