

Daily Market Update

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

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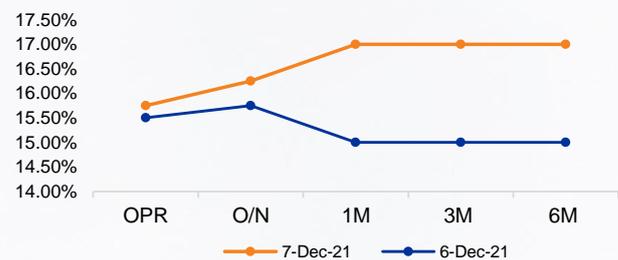
Money Market

Market liquidity opened the day with a relatively low balance of ₦13.24bn attributed to Mondays SME and Invisible debit, this was later boosted by the OMO maturity of ₦50bn.

Despite this credit, OBB and O/N rates increased by 25bps to close the day at 15.75% and 16.25% 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 rate appreciated by 40 kobo to close at \$/₦413.20

During today's trading, we witnessed low supply at the Investors' Exporters Window relative to demand.

Consequently, the Naira weakened against the Greenback by 7 kobo 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	413.63	413.85	(0.05)
I&E Closing	415.07	415.00	0.02
NAFEX	413.20	413.60	(0.10)

Treasury Bills

The Treasury bills secondary market opened on a quiet note with slight bearish undertone witnessed across most maturities, leading to improved offers around the long end of the curve, owing to the low levels of market liquidity.

Minimal trades were consummated at the end of the trading session. Consequently, rates remained unchanged from the previous day's close.

We expect the secondary market to trade with mixed sentiments, as market players focus on the NTB auction scheduled for tomorrow.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
13-Jan-22	3.69	28-Dec-21	5.50
10-Mar-22	2.98	01-Mar-22	5.18
9-Jun-22	3.67	15-Mar-22	5.22
11-Aug-22	5.36	16-Aug-22	5.72
13-Oct-22	5.00	04-Oct-22	5.88

BONDS

The FGN Bond market opened on a calm note today. Halfway through the trading session, we witnessed a bit of activity on the short , medium and long tenured bonds. The 2023 and 2036 securities were offered at 7% and 13% levels respectively while the 2050 bonds traded at 13.35% handle.

Before the close market, we saw demand on the 2045 bond but very few offers met such demand. Bond yields traded flat at the close of market.

We expect a quiet session tomorrow as attention shifts towards the NTB Primary Market Auction.

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	8.23	8.24	(0.12)
13.53 23-MAR-2025	10.60	10.60	0.00
16.2884 17-MAR-2027	12.10	12.10	0.00
13.98 23-FEB-2028	12.27	12.27	0.00
12.40 18-MAR-2036	13.00	13.00	0.00
16.2499 18-APR-2037	13.02	13.06	(0.31)
12.98 27-MAR-2050	13.30	13.38	(0.60)

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	1.3230	1M	0.10313	WTI	72.12
EUR/USD	1.1244	3M	0.19000	BRENT	75.40
USD/JPY	113.69	6M	0.27625	GOLD	1,781.82
USD/CHF	0.9268	12M	0.46550	SILVER	22.45

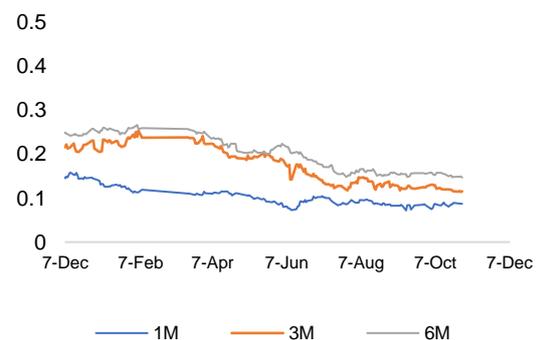
Auction Results

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	6.24	6.06	99.500	100.250
ACCESS 9.125% PERP	9.38	9.31	98.250	99.000
ZENITH 7.375% 2022	5.21	3.10	101.000	102.000
ECOBANK 9.5% 2024	5.81	5.38	108.000	109.000
NIGERIA 7.875% 2032	8.05	7.94	98.750	99.500
GHANA 7.625% MAY 2029	10.52	10.28	86.75	87.75

USD LIBOR Movement





DOMESTIC NEWS

NIGERIA RECORDS ₦8.9TRN TRADE DEFICIT IN NINE MONTHS, EXPERT BLAMES INSECURITY

The National Bureau of Statistics (NBS) has revealed that Nigeria recorded ₦3 trillion foreign trade balance deficit in the third quarter (Q3) of 2021 as total import hits ₦8.2 trillion against export of ₦5.1 trillion in the period under review.

The statistician general of the federation and chief executive officer of NBS, Dr. Simon Harry made this disclosure during a press briefing in Abuja on Monday. He disclosed that Nigerian export trade was mainly dominated by Crude Oil, which amounted to ₦4 trillion Naira. Meanwhile, Premium Motor Spirit (PMS) valued at ₦1.05 trillion topped Nigerian import trade.

According to Dr Harry, "In terms of exports, Nigerian Export trade was mainly dominated by crude oil which amounted to ₦4 trillion (78.47 per cent) of total export in Q3.

GLOBAL NEWS

JP MORGAN FORECASTS \$125 OIL PRICE IN 2022, \$150/BBL IN 2023

Oil prices are expected to overshoot \$125 a barrel next year and \$150 in 2023 due to capacity-led shortfalls in the Organisation of Petroleum Exporting Countries (OPEC) production, JP Morgan Global Equity Research has said. "As the group's (OPEC+) real volume potential is discovered, this should drive a higher risk premium to oil prices," the bank said in a note. "We think OPEC+ will slow committed increases in early 2022, and believe the group is unlikely to increase supply unless oil prices are well underpinned," the bank said.

The bank also forecast global oil demand to reach 99.8-101.5 million barrels per day in 2022-23. OPEC and its allies agreed last Thursday to stick to their existing policy of monthly oil output increases despite fears that a U.S. release from crude reserves and the new Omicron coronavirus variant would lead to a fresh oil price rout. But the producer group said it could review its production hike policy at short notice if oil demand collapsed due to a rising number of lockdowns, while Brent was on course for a sixth week of declines. OPEC, Russia and allies, together called OPEC+, surprised the market on Thursday when it stuck to plans to add 400,000 barrels per day (bpd) supply in January.

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

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