

Daily Market Update

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

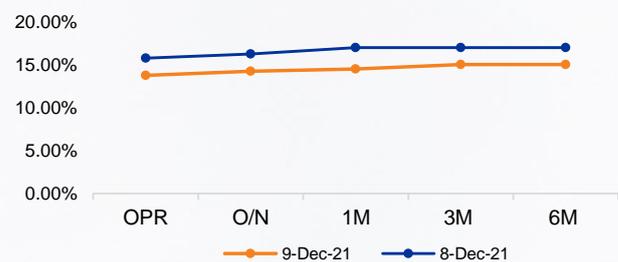
Thursday, 09 December 2021

Money Market

System liquidity opened with a credit balance of ₦79bn (₦30bn decline from previous day). The liquidity was further boosted by Retail FX Auction refund.

Consequently, Open Repo and Overnight rates declined by an average of 200bps to close the day at 13.75% and 14.25% respectively. We expect rates to increase tomorrow as market participants fund for tomorrow's FX Auction and possible CRR maintenance.

Money Market Rate Movement



Foreign Exchange

Rates at the Investors' Exporters' window traded flat to close at \$/₦415.07 despite the illiquidity in the FX market persisting with market participants bidding for funds to clear their outstanding obligations.

The NAFEX rate strengthened by ₦0.17 to close at \$/₦414.32 during today's trading session and we anticipate that rates will trade at \$/₦415 levels closing the week.

We expect the Central Bank to conduct its biweekly Retail SMIS auction tomorrow.

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	413.71	413.71	0.00
I&E Closing	415.07	415.07	0.00
NAFEX	414.32	414.49	(0.04)

Treasury Bills

The Treasury bills market opened on a quiet note as market participants shifted their attention to the OMO auction floated before the commencement of the trading session.

A total of ₦30bn was offered and sold at the OMO auction across three tenors with stop rates remaining unchanged to close at 7.00%, 8.50%, and 10.10%, on the 103-, and 173- and 348-day maturities, respectively.

We expect market to trade with mixed sentiments, closing the week, given the relatively low level of market liquidity.

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	5.28
9-Jun-22	3.67	15-Mar-22	5.43
11-Aug-22	5.36	16-Aug-22	5.33
13-Oct-22	5.00	04-Oct-22	5.30

BONDS

The FGN Bond market traded on a very calm note today and this lingered throughout the trading session. Demand was skewed towards the medium tenured securities with emphasis on the 2036 and 2037 bonds. Yields were quoted at 12.90% and 12.95% levels but very few trades were consummated. By close of market, yields dipped by an average of 2bps across the benchmark bond.

We expect a quiet trading session tomorrow as investors' appetite for debt instruments remains weak.

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	8.21	8.22	(0.01)
13.53 23-MAR-2025	10.60	10.60	0.00
16.2884 17-MAR-2027	12.23	12.23	0.00
13.98 23-FEB-2028	12.44	12.44	0.00
12.40 18-MAR-2036	13.00	13.00	0.00
16.2499 18-APR-2037	12.90	12.90	0.00
12.98 27-MAR-2050	13.17	13.30	(0.13)

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.99	16.63
Foreign Reserves (Gross \$'Bn)	40.93	40.97

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3201	1M	0.10138	WTI	↓ 71.39
EUR/USD	1.1289	3M	0.20050	BRENT	↓ 74.84
USD/JPY	113.51	6M	0.28813	GOLD	↓ 1,777.39
USD/CHF	0.9257	12M	0.48875	SILVER	↓ 22.02

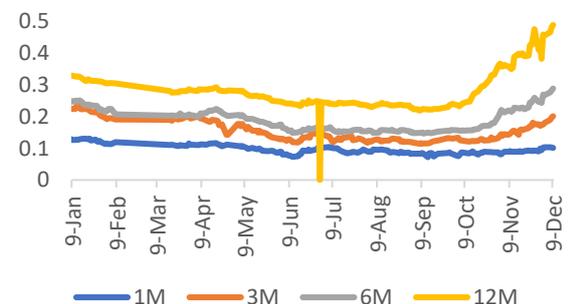
Auction Results

Tenor/Maturity	NTB AUCTION – December 08, 2021			OMO AUCTION – December 09, 2021		
	91-day	182-day	364-day	110-day	180-day	355-day
Offer / Subscription (₦'Bn)	4.94/1.91	10.09/1.81	38.70/240.73	5.00/9.00	5.00/10.80	20.00/54.98
Total Allotment (₦'Bn)	1.55	0.79	51.39	5.00	5.00	20.00
Stop Rate(%)	2.50	3.45	5.34	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	9.44	9.36	98.000	99.875
ZENITH 7.375% 2022	5.15	3.00	101.000	102.000
ECOBANK 9.5% 2024	5.80	5.36	108.000	109.000
NIGERIA 7.875% 2032	8.04	7.93	98.875	99.625
GHANA 7.625% MAY 2029	10.64	10.40	86.25	87.25

USD LIBOR Movement





DOMESTIC NEWS

FINANCE BILL MAKES TIN MANDATORY FOR BANKS' ACCOUNT HOLDERS

The Finance Bill 2021 has made it mandatory for commercial banks to demand Tax Identification Number (TIN) from any individual seeking to open an account with them. The bill also empowers banks to demand TIN from existing customers if they wish to continue to operate their accounts.

The bill also makes it mandatory for non-resident firms such as Google and Twitter to pay taxes to the Federal Government of Nigeria. The Leader of the Senate, Yahaya Abdullahi, stated this on Wednesday in his lead debate on the bill, sent to the National Assembly by the President, Major-General Muhammadu Buhari (retd.), on Tuesday. He said, "Banks will be required to request for Tax Identification Number (TIN) before opening bank accounts for individuals, while existing account holders must provide their TIN to continue operating their accounts."

The proposed bill makes provision for payment of tax by foreign firms which derives their profits from Nigeria. The firms are: Twitter, Google, Facebook and other social media platforms.

GLOBAL NEWS

EQUITIES SLIP AS COST OF OMICRON VARIANT WEIGHED

U.S. stocks fell and bonds rallied as the economic threat of restrictions to control the new omicron variant outweighed optimism about the efficacy of vaccines.

Both the S&P 500 and Nasdaq 100 retreated, ending a three-day rally, as all major sectors except health care declined. The yield on the U.S. 10-year Treasury, which moves inversely to price, slid to 1.49%. Meanwhile, the Cboe Volatility Index was little changed at 20.

The cost to contain the omicron strain is being tallied up amid mounting concern it will crimp the economic rebound. New work-from-home guidance in the U.K., for instance, could cost the country's economy £2 billion (\$2.6 billion) a month, according to Bloomberg Economics. A study has found omicron is 4.2 times more transmissible than the delta variant in its early stages.

"Ultimately the issue from a health perspective is that even if Omicron does prove to be less severe -- which the initial indications so far have pointed to -- a rise in transmissibility could offset that," said a team of Deutsche Bank strategists including Jim Reid.

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

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