

# Daily Market Update

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

Friday, 17 December 2021

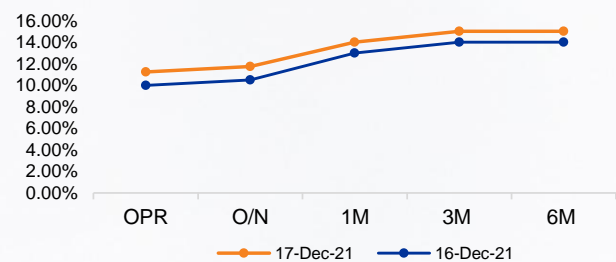
## Money Market

System liquidity opened the day with a balance of ₦124bn, but was later depleted by the Bond Auction debit of ₦100bn.

Consequently, the Open Repo and Overnight Rates increased by 125bps to close the day at 11.25% and 11.75% respectively as banks funded their winnings.

We expect rates to decline opening the week barring any significant funding activity.

Money Market Rate Movement



## Foreign Exchange

Closing the week, the NAFEX slightly depreciated by 1kobo day on day to close the week at \$/₦414.24.

The tight liquidity was witnessed at the Investors' and Exporters' Window as market participants continue to bid for various obligations. Consequently, the Naira depreciated against the Greenback by 2kobo to close at \$/₦415.07. We anticipate rates will remain at these levels next week.

As anticipated, the CBN released the result of its bi-weekly Retail SMIS Auction today.

FX Rates	Current	Previous	%Δ
Indicative I&E Open	413.83	414.13	(0.07)
I&E Closing	415.07	415.05	0.00
NAFEX	414.24	414.23	0.00

## Treasury Bills

The Treasury Bills market closed the week on a quiet note, with a handful of trades consummated through the trading session as a result of the thin liquidity levels in the system. Although the bears were dominant in the market, we witnessed some interest on some short-tenured OMO and NTB maturities.

We expect market to trade with mixed sentiments in the coming week as market players continue to trade cautiously.

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 continued a quiet note, with minimal interest across the Benchmark Bonds. We witnessed a bit of activity on the 2023 Bond at 7.40% while the medium and long tenured maturities remained inactive. Consequently, yields across the traded maturities remained unchanged from opening levels.

We expect interest to filter into the secondary market given the improved offers across the on-the-run bonds.

FGN Bond Yields	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	7.62	7.63	(0.13)
13.53 23-MAR-2025	10.58	10.58	0.00
16.2884 17-MAR-2027	12.22	12.22	0.00
13.98 23-FEB-2028	12.44	12.44	0.00
12.40 18-MAR-2036	12.91	12.91	0.00
16.2499 18-APR-2037	13.05	13.06	(0.08)
12.98 27-MAR-2050	13.15	13.17	(0.15)

### Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.40	15.99
Foreign Reserves (Gross \$'Bn )	40.73	40.89

### Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3272	1M	0.10388	WTI	71.12
EUR/USD	1.1276	3M	0.21363	BRENT	73.57
USD/JPY	113.61	6M	0.31150	GOLD	1,804.95
USD/CHF	0.9222	12M	0.52463	SILVER	22.512

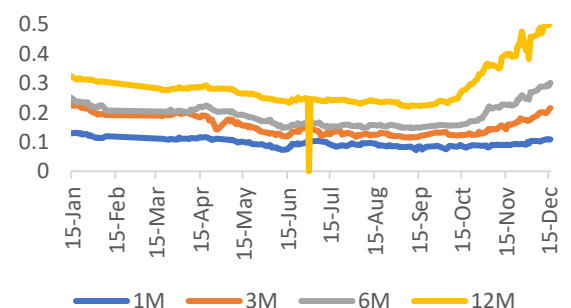
### Auction Results

Tenor/Maturity	NTB AUCTION – December 15, 2021			BOND AUCTION – December 15, 2021	
	91-day	182-day	364-day	12 ½ 01/22/26	16.25 04/18/37
Offer / Subscription (₦'Bn)	0.96/1.74	1.10/2.36	3.80/63.33	50.00/25.75	50.00/106.86
Total Allotment (₦'Bn)	0.96	1.10	3.80	15.38	84.62
Stop Rate(%)	2.49	3.45	5.00	11.65	13.10

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.25	6.06	99.5	100.25
ACCESS 9.125% PERP	9.40	9.33	97.875	98.625
ZENITH 7.375% 2022	5.04	2.78	101.00	102.000
ECOBANK 9.5% 2024	5.77	5.33	108.00	109.00
NIGERIA 7.875% 2032	8.24	8.13	97.5	98.25
GHANA 7.625% MAY 2029	11.55	11.30	82.625	83.625

### USD LIBOR Movement





## DOMESTIC NEWS

### FG OFFICIALLY ASKS UN TO RECOVER, RETURN LOOTED ASSETS TO NIGERIA

Nigeria has submitted a draft resolution to the United Nations Convention Against Corruption on the Use of Beneficial Ownership Information and Data Disclosure to identify, track, recover and return assets looted or stolen from developing countries. Attorney-General of the Federation and Minister of Justice, Abubakar Malami, announced this while addressing the 9th Session of Conference of State Parties in progress in Sharm EL Sheikh, Egypt. He explained that the draft resolution was submitted jointly with the support and partnership of five other developing countries, namely, Kenya, Pakistan, Peru and Saudi Arabia.

A statement issued in Abuja by the Deputy Director/Head Communications and Advocacy, Nigeria Extractive Industries Transparency Initiative, Obiageli Onuorah, said Malami informed the UN Convention that Nigeria had put in place institutional structures and legislations to protect its resources. The Minister conveyed Nigeria's appeal to the Conference of State Parties of the UN Convention Against Corruption to consider the draft resolution on its merit in view of its strategic importance in recovering looted assets from developing countries.

## GLOBAL NEWS

### TECH RATTLED, OMICRON ADVANCES, GERMAN GLOOM - WHAT'S MOVING MARKETS

Technology stocks are set for fresh selling as the world adjusts to the looming end of free money from central banks. China imposes its first Omicron-related restrictions, while data from South Africa give more grounds for optimism about the relative mildness of the new variant of Covid-19. German business gets even gloomier despite shimmers of light on the horizon, while the Bank of Japan joins the global tightening trend even more hesitantly than the European Central Bank.

Technology stocks are set to extend their Thursday losses when they open later, as a gradual tightening of monetary policy around the world ends an era of free money for bets on long-duration growth prospects. There were, however, signs of a possible turn for the better. German producer prices rose by only 0.8% in November, the smallest rise in eight months, while car sales in both Germany and around Europe picked up from October's disaster, suggesting that the worst of the industry's supply chain problems may be behind it.

Eurozone inflation also turned out weaker in month-on-month terms than expected: the core rate was flat while the headline rate rose 'only' 0.4%, due largely to surging energy prices.

**Sources:** FMDQ, Access Bank Treasury Team, Reuters, Bloomberg, Punch, Investing.com

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