

Daily Market Update

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

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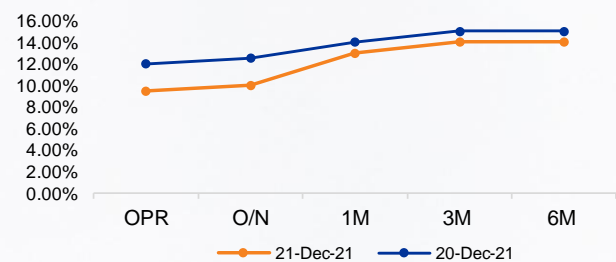
Money Market

System liquidity opened with a balance of ₦79bn and was further boosted by the OMO maturity of ₦45bn.

As a result, the Open Repo and Overnight Rates decreased by 250bps to close the day at 9.50% and 10.50% respectively as there was no significant funding activity.

We expect rates to decline further tomorrow as market players anticipate the FAAC disbursement into the system.

Money Market Rate Movement



Foreign Exchange

During the day's trading session, the illiquidity in the Investors and Exporters' Window persisted as demand from willing buyers surpassed supply from willing sellers. As a result, the Naira weakened by 30 Kobo against the Dollar, closing the day at \$/₦415.10.

The NAFEX, on the other hand, strengthened by 25 kobo against the dollar, closing at \$/₦414.06. We expect CBN to intervene in the market tomorrow, through provision of funds for FPIs.

FX Rates

	Current	Previous	%Δ
Indicative I&E Open	414.11	413.84	(0.07)
I&E Closing	415.10	414.80	0.07
NAFEX	414.06	414.31	(0.06)

Treasury Bills

The Treasury Bills market traded on a quiet note, with very few trades consummated during trading hours. We witnessed slight bearish sentiments for the most part despite the OMO maturity of ₦45bn in the system.

However, there was a bit of demand for long-tenured NTB instruments on a bilateral basis.

We expect similar sentiment tomorrow 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



DOMESTIC NEWS

LAGOS RAISES N137.3BN THROUGH BOND TO FINANCE INFRASTRUCTURE PROJECT

Lagos State Governor, Mr. Babajide Sanwo-Olu signed a N137.3 billion 10-year Bond yesterday to fund important infrastructural projects in the state. The debt instrument is part of the N500 billion fourth debt series, which is set to span from 2021 to 2031. At the signing ceremony, which took place at the State House in Alausa in the presence of the 24 issuing houses and eight trustees, among others, the Governor stated the Bond is to finance essential infrastructure projects, such as roads and healthcare. He mentioned the Lagos-Badagry Expressway, Lekki Regional Road, Rehabilitation of Ijeododo road and Rehabilitation of the alternative route to Admiralty Circle Toll Plaza.

GLOBAL NEWS

OPEC+ MISSES OIL SUPPLY TARGET AS OVER-COMPLIANCE HITS 117% IN NOVEMBER.

The Organization of Petroleum Exporting Countries (OPEC) and its partners, known as OPEC+, complied with oil production cutbacks at a rate of 117 percent in November, up from 116 percent the previous month. This meant that the group's output levels remained below agreed-upon limits in the month under review, with 122 percent compliance from OPEC countries participating in the production cut and 107 percent compliance from non-OPEC members. The situation has deteriorated further as several countries, led by Nigeria, have struggled to improve output.

Mexico was left out of the data since it has yet to accept an official quota since July of last year, although it is still a part of the accord and occasionally features in the group's calculations. Data seen by Argus showed that compliance among the 10 OPEC countries participating in the production cut effort increased to 122 percent in November from 121 percent in October, while non-OPEC compliance increased to 107 percent from 106 percent. Despite a 410,000 bpd increase in output month over month, the firm fell 580,000 bpd short of its November production target of 37.94 million bpd.

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

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