

# Daily Market Update

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

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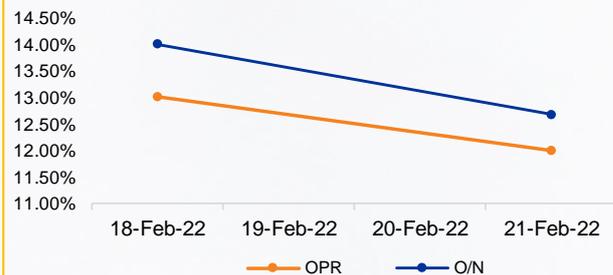
## Money Market

System liquidity opened the week with a positive balance of ₦131bn despite the Bond auction debit and the retail SMIS auction conducted on Friday.

The OPR and O/N rates were seen to have declined slightly by 100bps to close the day at 12.00% and 12.67% respectively as Banks basically funded their positions.

We expect the rates to decline further tomorrow due to the OMO maturity of ₦230bn expected to impact the system.

Money Market Rate Movement



## Foreign Exchange

Rates at the Investors' & Exporters' window gained 13kobo to close at \$/₦416.67 despite demand continuing to outweigh supply of funds. Consequently, the CBN intervened in the market today by providing funds for Foreign Portfolio Investors.

The NAFEX rate lost 13kobo to close at \$/₦416.09 during today's trading session. Tomorrow, the CBN is expected to intervene for SMEs, PTA/BTA, Medicals and we anticipate that rates will trade at similar levels.

FX Rates

	Current	Previous	%Δ
I&E Closing	416.67	416.75	(0.02)
NAFEX	416.09	415.96	0.03

## Treasury Bills

The Treasury Bills secondary market opened on a slightly bullish note today as market participants traded cautiously. This sentiment persisted for most of the trading session with very few trades consummated by market close. Consequently, closing rates remained unchanged from opening levels.

Tomorrow, an OMO maturity of ₦230bn is to be credited to the system and as such, we expect some bullish interest as market participants look forward to the NTB auction scheduled for Wednesday.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
10-Mar-22	2.98	01-Mar-22	5.40
09-Jun-22	3.67	16-Aug-22	4.60
11-Aug-22	4.54	04-Oct-22	5.50
13-Oct-22	5.00		

## Bonds

The FGN Bond market opened the trading day on an active note with mixed sentiments spread across the short and medium end of the curve. Demand was centered around the shorter end of the curve (2024, 2025 and 2027) with bids hovering around 8.20%, 8.50% and 10.75% levels, respectively whilst the on-the-run 4-Yr paper traded 7bps below stop rate.

As a result of the rally on the short end and minimal activity on the long end, yields declined by an average of 6bps across the benchmark bonds.

We continue to anticipate the buying sentiment to persist as ₦230bn worth of OMO bills matures tomorrow.

FGN Bond Yields	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	6.64	6.67	(0.45)
13.53 23-MAR-2025	8.50	8.93	(4.82)
16.2884 17-MAR-2027	10.80	10.90	(0.92)
13.98 23-FEB-2028	11.10	11.10	0.00
12.40 18-MAR-2036	12.51	12.67	(1.26)
16.2499 18-APR-2037	12.70	12.70	0.00
12.98 27-MAR-2050	12.95	12.95	0.00

## Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.60	15.63
Foreign Reserves (Gross \$'Bn)	39.79	39.78

## Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3617	1M	0.17071	WTI	↑ 92.05
EUR/USD	1.1338	3M	0.47957	BRENT	↑ 94.84
USD/JPY	114.88	6M	0.78129	GOLD	↓ 1893.53
USD/CHF	0.9170	12M	1.28586	SILVER	↔ 23.96

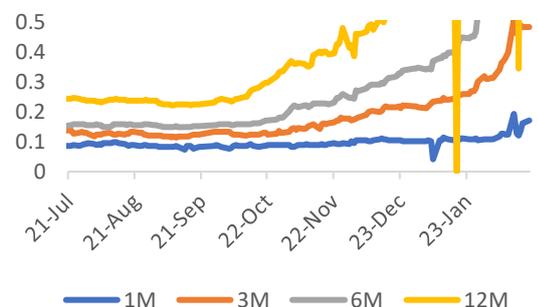
## Auction Results

Tenor/Maturity	FGN BOND AUCTION – February 16, 2022		OMO AUCTION – February 17, 2022		
	10-year	20-year	96-day	187-day	362-day
Offer / Subscription (₦'Bn)	75/325.40	75/232.32	10/36.30	10/56.70	40/293.69
Total Allotment (₦'Bn)	103.47	193.92	10	10	40
Stop Rate(%)	10.95	13.00	7.00	8.50	10.10

## Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	6.64	6.44	98.000	98.750
ACCESS 9.125% PERP	9.96	9.88	96.250	97.125
ECOBANK 9.5% 2024	5.44	4.97	108.125	109.125
UBA 6.75% 2026	6.78	6.59	99.875	100.625
GHANA 7.625% MAY 2029	13.75	13.38	75.000	76.250
NIGERIA 7.875% 2032	8.65	8.52	94.875	95.750

## USD LIBOR Movement





## DOMESTIC NEWS

### TRADE DEFICIT WITH CHINA WORSENS WITH \$23BN IMPORTS IN 2021

Nigeria has topped the chart amongst African countries importing from China in 2021 with imported goods valued at \$23 billion (about N9.6 trillion) or 16 per cent of total continent's imports from China. But the country did not feature on the top 5 African countries in exports to China in the same period, as it recorded only \$3 billion (about N1.3trillion) exports in the year. These are contained in the data obtained by Financial Vanguard from China's Custom agency. Data from the National Bureau of Statistics (NBS) also shows the bilateral trade deficit against Nigeria is widening in favour of China, with a steady increase in Nigeria's importation from the Asian country from 2019 to 2021.

## GLOBAL NEWS

### London House Prices Rebound as U.K. Growth Hits Two-Decade High

London property is back in vogue as a return to the office fuels demand for homes in the U.K. capital. A report released by Rightmove Plc on Monday showed buyer enquiries and asking prices both rose sharply this month. The buoyancy was mirrored across the country, where asking prices rose 2.3%. That's an increase of 7,785 pounds, the most in at least two decades of reporting by Rightmove.

Annual growth rates in London and the U.K. are running at their fastest pace since the middle of the last decade. For London, the jump represents a turnaround after underperforming other parts of the country during the pandemic. Now, with restrictions ending and many firms asking workers to spend part of the week in the office, buyers are looking to live within a "comfortable" commuting distance. The number of house hunters inquiring about a home in London is up 24% from a year earlier, the biggest gain of any region, Rightmove said. Meanwhile sellers raised their asking prices by 6% to a record 667,001 pounds (\$910,000) on average.

**Sources:** FMDQ, Access Bank Treasury Team, Bloomberg, Nairametrics, Reuters, ThisDay, Investing, Aljazeera

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# DIVERSIFY YOUR PORTFOLIO WITH EUROBONDS

Eurobonds are international bonds that are denominated in currencies not native to the country where they are issued. Most Eurobonds issued are in USD.

## Some benefits of investing in Eurobonds include:

- Higher yield on investments in foreign currency
- Capital preservation
- Hedging against foreign exchange fluctuations."

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