

Daily Market Update

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

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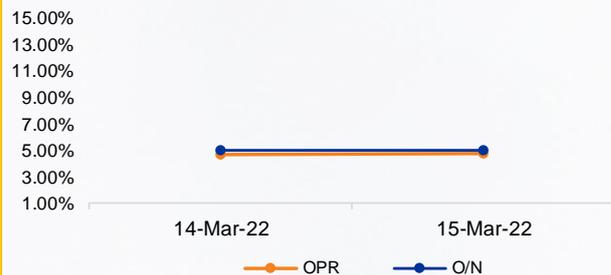
Money Market

System liquidity opened the day with a balance of ₦199.11bn; this liquidity was further boosted by the OMO repayment of ₦99.3bn.

Despite this improvement in system liquidity, the OPR and Overnight rates remained stable to close the day at 4.75% and 5.00% respectively.

We expect the rates to hover around these levels tomorrow as system remains awash with funds.

Money Market Rate Movement



Foreign Exchange

Despite the CBN's intervention at the SME and Invisibles window, the demand for dollars at the IEFX market remained high due to persistent paucity of funds in the market. Nonetheless the Naira remained stable to close at \$/₦416.50

On the contrary, the NAFEX depreciated by ₦0.25 to close at \$/₦416.00.

We expect no significant change in rates tomorrow.

FX Rates

	Current	Previous	%Δ
I&E Closing	416.50	416.50	0.00
NAFEX	416.00	415.75	-0.01

Treasury Bills

Despite the OMO maturity of ₦99.30bn today, the Treasury Bills secondary market opened with mixed sentiments as market participants exposed their bids and offers across the curve.

This trend persisted for most of the trading day with only a handful of trades consummated by market close. Consequently, closing rates remained largely unchanged from opening levels.

We expect the mixed sentiments to continue tomorrow as market participants shift their attention to the NTB auction scheduled by the DMO. A total of ₦58bn is on offer across the standard maturities.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
28-Apr-22	3.07	16-Aug-22	3.60
09-Jun-22	3.24	04-Oct-22	4.08
11-Aug-22	3.50	14-Feb-23	3.80
13-Oct-22	3.42	21-Feb-23	4.09

Bonds

The FGN bond market opened today on a quiet note. This trend persisted throughout the trading session as bid and offer spread remained wide apart. Slight interests were seen on the belly of curve with bids for the 2036 quoted firmly at 12.10% while offers were shown at 12%. Minimal activities were seen at the shorter end of the curve with the shortest bond maturity (2023) trading at sub 5% levels. By and large, rates remained stable across the benchmark bonds.

We anticipate a calm market tomorrow as attention shifts towards the NTB auction to be conducted by the DMO.

FGN Bond Yields	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	4.88	4.90	(0.02)
13.53 23-MAR-2025	8.80	8.81	(0.01)
16.2884 17-MAR-2027	9.93	9.94	(0.01)
13.98 23-FEB-2028	10.20	10.11	0.09
12.40 18-MAR-2036	11.86	11.86	0.00
16.2499 18-APR-2037	11.97	11.97	0.00
12.98 27-MAR-2050	12.90	12.90	0.00

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	11.50	11.50
Inflation y/y (%)	15.70	15.60
Foreign Reserves (Gross \$'Bn)	39.74	39.75

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3066	1M	0.43057	WTI	↓ 95.951
EUR/USD	1.0987	3M	0.88471	BRENT	↓ 100.12
USD/JPY	118.02	6M	1.17500	GOLD	↓ 1,926.00
USD/CHF	0.9396	12M	1.65686	SILVER	↓ 25.02

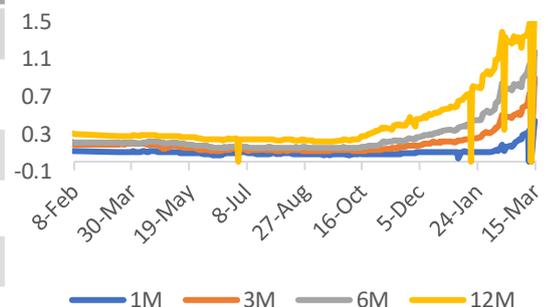
Auction Results

Tenor/Maturity	OMO AUCTION – March 10, 2022			NTB AUCTION – March 09, 2022		
	96-day	187-day	362-day	91-day	182-day	364-day
Offer / Subscription (₦'Bn)	10/54.28	10/55.28	20/175.98	1.55/4.40	11.88/40.65	80.57/437.84
Total Allotment (₦'Bn)	10.00	10.00	20.00	2.32	21.29	212.92
Stop Rate(%)	7.00	8.50	10.10	1.75	3.28	4.10

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	7.52	7.11	94.75	96.25
ACCESS 9.125% PERP	10.87	10.31	93.50	95.50
ECOBANK 9.5% 2024	7.78	7.01	103.25	104.75
UBA 6.75% 2026	7.59	7.19	96.75	98.25
GHANA 7.625% MAY 2029	18.41	17.84	61.375	62.875
NIGERIA 7.875% 2032	8.91	8.75	93.25	94.25

USD LIBOR Movement





DOMESTIC NEWS

CBN IN FRESH PLAN TO WEAN BANKS OFF CASH HANDLING RISKS, COSTS

The Central Bank of Nigeria (CBN) has commenced a grand plan to wean deposit money banks (DMBs) off the historical risk and cost of cash management, a new document issued by the regulator has revealed. The apex bank, experts and industry players have expressed worry over the rising cost and risks of cash handling. There have been challenges accessing cash at Automated Teller Machines (ATMs), with the situation degenerating into a crisis point during the recent Yuletide. Inside sources have hinted that the banks were becoming increasingly worried about risks posed to Cash In Transit (CIT).

A cashless policy that has been in force in the past few years penalises cash withdrawal and lodgement above certain thresholds. Individuals withdrawing or depositing cash more than ₦500,000 daily pay penalties. The same applies to corporate entities that transact above ₦3million. Besides regulatory measures, banks have explored in-house strategies (some outright misinterpretations of statutory directives) to discourage their customers from cash demand.

GLOBAL NEWS

BRENT OIL FALLS BELOW \$100 WITH RETREAT GATHERING MOMENTUM.

Brent crude futures fell below \$100 a barrel, swinging about \$40 in little more than a week. The market has been rattled by a resurgence of virus cases in China, the world's biggest crude importer, and signs of progress in cease-fire talks between Ukraine and Russia. While concerns persist that disruption to Russian oil flows is squeezing an already tight market, OPEC and others have been quick to point out there is no shortage.

Since Russia invaded Ukraine, crude prices have been hugely volatile, with Brent last week trading in its biggest range ever. The enormous daily swings are also impacting liquidity, with open interest falling across the oil market, in turn leaving futures vulnerable to even larger intraday moves. Brent traded as much as 7.6% lower at \$98.79 a barrel

Sources: FMDQ, Access Bank Treasury Team, Bloomberg, CBN, Nairametrics, Guardian

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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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