

# Daily Market Update

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

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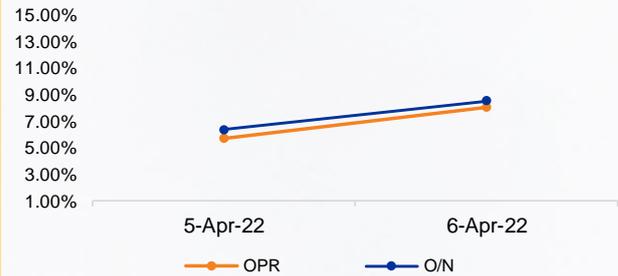
## Money Market

Market liquidity remained relatively stable opening the day at ₦141bn.

Despite this level of liquidity and the absence of funding activity in the market, OPR and Overnight rates increased by 233bps to close the day at 8.00% and 8.50% respectively.

We expect rates to remain stable closing tomorrow subject to the Apex Bank conducting an OMO auction while will cause a spike in rates .

### Money Market Rate Movement



## Foreign Exchange

Rates at the Investors' & Exporters' window gained 33kobo to close at \$/₦416.50 despite demand continuing to outweigh supply of funds.

The CBN intervened in the market today by providing funds for Foreign Portfolio Investors.

On the other hand, NAFEX rate weakened by 5kobo to close at \$/₦415.60 during today's trading session and we anticipate that rates will trade at similar levels tomorrow.

### FX Rates

	Current	Previous	%Δ
I&E Closing	416.50	416.83	0.00
NAFEX	415.60	415.55	(0.01)

## Treasury Bills

The Treasury bills secondary market opened the day on a calm note with mixed sentiments witnessed across the OMO and NTB curves as the trading day progressed.

This trend was sustained throughout the trading session as market participants exposed their bids and offers.

By market close, only a handful of trades were consummated across the curve. Consequently, closing rates remained unchanged from opening levels.

Tomorrow, we expect the mixed sentiments to continue amidst the level of system liquidity.

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
28-Apr-22	3.07	31-May-22	3.00
09-Jun-22	1.88	16-Aug-22	3.24
11-Aug-22	3.18	04-Oct-22	3.39
13-Oct-22	3.16	14-Feb-23	3.80

## Bonds

The FGN bond market opened on a quiet note, and this lingered till midday. By midday, the market took a bearish turn with most market participants offering the long tenured auction bond (2042) at elevated levels c.12.92%.

By and large, just a few trades were consummated across the curve with yields rising by 2bps in line with market sentiments.

Tomorrow, we anticipate the bearish trend to persist as market participants stealthily execute trade strategies amid the thin liquidity in the system.

### FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	4.96	4.98	(0.00)
13.53 23-MAR-2025	8.88	8.89	(0.00)
16.2884 17-MAR-2027	10.45	10.45	0.00
13.98 23-FEB-2028	10.66	10.66	0.00
12.40 18-MAR-2036	12.33	12.16	0.01
16.2499 18-APR-2037	12.41	12.27	0.01
12.98 27-MAR-2050	12.85	12.85	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)	39.54	39.54

### Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3077	1M	0.44600	WTI	↓ 100.22
EUR/USD	1.0908	3M	0.96657	BRENT	↓ 105.02
USD/JPY	123.78	6M	1.47486	GOLD	↑ 1,931.80
USD/CHF	0.9330	12M	2.22786	SILVER	↑ 24.57

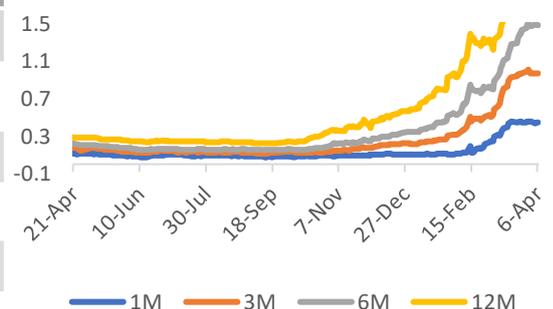
### Auction Results

Tenor/Maturity	OMO AUCTION – March 31, 2022			PMA AUCTION – March 30, 2022		
	110-Day	194-Day	362-Day	89-day	180-day	355-day
Offer / Subscription (₦'Bn)	10/49.90	10/54.80	30/227.97	2.49/18.38	2.09/25.40	138.711/203.83
Total Allotment (₦'Bn)	10.00	10.00	30.00	13.88	20.35	139.96
Stop Rate(%)	7.00	8.50	10.10	1.75	3.00	4.45

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	7.19	6.92	96.000	97.000
ACCESS 9.125% PERP	11.03	10.61	93.000	94.500
ECOBANK 9.5% 2024	7.08	6.56	104.500	105.500
UBA 6.75% 2026	7.86	7.60	95.750	96.750
GHANA 7.625% MAY 2029	15.56	15.17	69.25	70.75
NIGERIA 7.875% 2032	9.00	8.85	92.75	93.75

### USD LIBOR Movement





## DOMESTIC NEWS

### BANKS BORROWING FROM CBN DECLINE BY 0.45% IN Q1

Banks borrowing from the Central Bank of Nigeria (CBN) dropped marginally by 0.45 per cent to N1.35 trillion in the first quarter of 2022 compared to N1.36 trillion reported by the apex banking regulating body in the prior first quarter of 2021. Banks through the Standing Deposit Facility (SDF) daily deposit excess liquidity with the apex bank. The trend in the first three months, as gathered from the CBN revealed steady decline in bank deposits, driven by further improvement in the level of liquidity in the interbank system. In January, banks deposited N572.5 billion with CBN but it dropped by 48.2 per cent to N489.05 billion in February.

In addition, the borrowing dropped further to N296.8 billion in March. Banks deposit applicable interest rate for the SDF is at 4.5 per cent. In November 2014, the CBN said it observed that banks and discount houses preferred to keep their idle balances in the SDF with the apex bank. Unfortunately, this preference contributed to the restraining of the financial intermediation process, the reason the CBN opted to review the guidelines for the operation of the SDL. The review recommended that daily placements by discount houses and banks at the SDF should not exceed N7.5 billion.

## GLOBAL NEWS

### OIL DROPS AS IEA NATIONS READY BIG RELEASE FROM RESERVES

Oil futures fell sharply on Wednesday following a surprising rise in U.S. crude stocks and after large consuming nations said they would release oil from reserves in conjunction with the United States to counter tightening supply.

Member states of the International Energy Agency (IEA) will release 120 million barrels from strategic reserves, including 60 million from the United States, according to two sources familiar with the matter. That U.S. 60 million commitment is part of Washington's previously announced plans to release a million barrels a day for the next six months for a rough total of 180 million barrels.

This is the second time the IEA, which includes big consumers like Japan, France and South Korea, has released barrels from its reserves this year. The group collectively has about 1.5 billion barrels in strategic reserves.

Brent crude futures fell \$2.78, or 2.7%, to \$103.86 as of 12:31 p.m. EST (1631 GMT). U.S. crude fell \$2.93, or 2.9%, to \$99.04 a barrel.

**Sources:** FMDQ, Access Bank Treasury Team, Bloomberg, CBN, Leadership, This Day, Reuters.

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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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