

Daily Market Update

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

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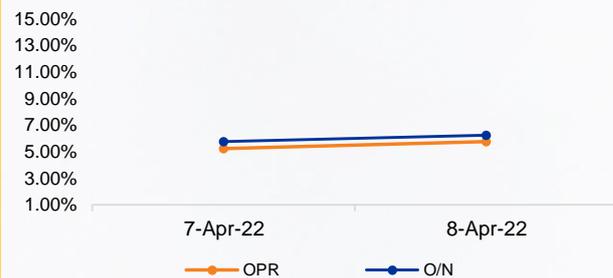
Money Market

Market liquidity opened the day with a balance ₦128bn, a decline from the previous days level of ₦256bn.

Consequently, we saw an increase in rates by 50bps to close the day at 5.75% and 6.25% respectively as Banks basically funded their obligations.

We expect the rates to hover around this level opening the week despite the OMO maturity of ₦50bn expected into the system.

Money Market Rate Movement



Foreign Exchange

The Central Bank released the result of last week's Retail SMIS auction today. During the trading session, Customers demand for FCY was met with insufficient supply in the IEFX market. Nonetheless, the Naira traded flat to the Dollar to close at \$/₦416.67.

The NAFEX on the other hand, appreciated by 56 Kobo, closing at \$/₦415.78.

Rates should remain relatively stable next week.

FX Rates

	Current	Previous	%Δ
I&E Closing	416.67	416.67	0.00
NAFEX	415.78	416.34	(0.13)

Treasury Bills

Closing the week, the Treasury Bills market opened on an active note with bearish sentiment witnessed across the curve. The trend was sustained throughout the trading session with trades consummated across the curve, particularly on the special bill. Despite this, rates remained largely unchanged from opening levels.

We expect the bearish sentiments to continue opening the new week.

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 trend persisted throughout the trading session. The market maintained its bearish sentiment with offers seen across the medium to long end of the curve.

Emphasis centered around the 2036 and 2037 bond which traded at c.12.30% and 12.35% respectively. However, very few bids were witnessed across the benchmark curve due demand for higher yields. By close of market, yields remained stable from previous closing levels.

We expect similar trend to persist next week due to low levels of market liquidity and investors' weak appetite on current yield offering.

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
12.75 27-APR-2023	4.92	4.94	(0.40)
13.53 23-MAR-2025	8.68	8.88	(2.25)
16.2884 17-MAR-2027	10.76	10.45	2.97
13.98 23-FEB-2028	10.66	10.66	0.00
12.40 18-MAR-2036	12.33	12.33	0.00
16.2499 18-APR-2037	12.36	12.41	(0.40)
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)	39.63	39.60

Global Currency, Fixings and Commodities

Global Currencies		LIBOR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.3029	1M	0.48814	WTI	↑ 96.972
EUR/USD	1.0873	3M	0.98886	BRENT	↑ 101.34
USD/JPY	124.30	6M	1.50257	GOLD	↑ 1,948.20
USD/CHF	0.9330	12M	2.21486	SILVER	↑ 24.81

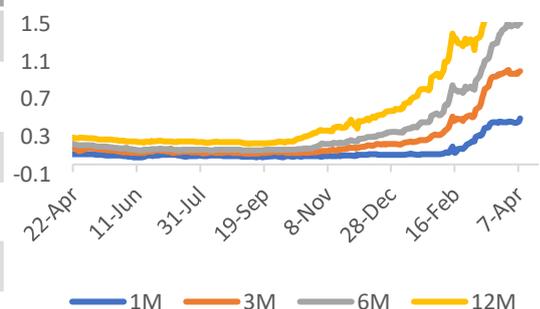
Auction Results

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	11.04	10.61	93.000	94.500
ECOBANK 9.5% 2024	7.07	6.54	104.500	105.500
UBA 6.75% 2026	7.80	7.53	96.000	97.000
GHANA 7.625% MAY 2029	15.47	15.14	68.875	70.875
NIGERIA 7.875% 2032	9.00	8.84	92.750	93.750

USD LIBOR Movement





DOMESTIC NEWS

SHAREHOLDERS LAMENT AS FG TAKES OVER UNCLAIMED DIVIDEND TRUST FUND

The Federal Government may have finally taken over the management of the Unclaimed Dividend Trust Fund (UDTF) after years of back and forth as the Securities and Exchange (SEC) admitting it now manages the Fund alongside the Debt Management Office (DMO), contrary to Nigerian shareholders' position. The development confirms Nigerian shareholders fears and opposition in 2020 to the establishment of UDTF proposed to address the growing rate of unclaimed dividend presently estimated at N200 billion.

They had then argued that the SEC was colluding with the government to control the fund for their use which will eventually end up being misappropriated. Today however, the shareholders' fears seem to have been justified as the SEC boss Lamido Yuguda attempted to explain the Commission's involvement with the UDTF. "Unclaimed dividends have now gone into a new trust fund (UDTF) that is now managed by the DMO and so the SEC is not the only agency overseeing the UDTF.

GLOBAL NEWS

EUROPE TURNS ITS BACK ON RUSSIAN COAL. IS OIL NEXT?

European leaders have agreed to phase out Russian coal imports as part of a new package of sanctions triggered by evidence of atrocities in Bucha, Ukraine. An oil embargo could be next. All forms of Russian coal will be banned from the European Union, a move that the European Commission said Friday would affect about €8 billion (\$8.7 billion) worth of Russian exports per year. Europe plans to wind down imports over the next four months, an EU source told CNN Business.

In March, Europe set a deadline of 2027 to wean itself off Russian gas and oil. But an oil embargo that begins much sooner is now firmly on the table. European Commission President Ursula von der Leyen told the European Parliament on Wednesday that the fifth package of sanctions "will not be [its] last." "Yes, we've now banned coal, but now we have to look into oil," she added.

French President Emmanuel Macron was one of the first leaders to openly support a total ban on Russian oil. Speaking to a French broadcaster on Monday, Macron said that there were "very clear signs" war crimes had been committed in Bucha and that Europe "can't let it slide."

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

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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."

More information:
IP: 7007
Email: FixedIncome@ACCESSBANKPLC.com



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