

# 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 ₦123.67 coming from the previous day's balance of ₦103.27bn.

However, the OPR and Overnight rates increased by 17bps from the previous day's level to close at 14.50% and 15.00% respectively.

We expect the rates to hover around these levels tomorrow barring any significant funding activity in the market.

### Money Market Rate Movement



## Foreign Exchange

At the Investors' and Exporters' Window, the illiquidity experienced this week persisted during today's trading session with most trades executed at \$/₦428/429 levels.

Consequently, the Naira weakened against the Greenback by ₦1.47 to close at \$/₦429.20 while the NAFEX rate gained by ₦0.83 to close at \$/₦428.

We expect rates to continue to trade at these levels tomorrow.

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### FX Rates

	Current	Previous	%Δ
I&E Closing	429.20	430.67	(0.34)
NAFEX	428.00	427.17	0.20

## Treasury Bills

The Treasury Bills secondary market opened the day on a relatively quiet note with bearish sentiments observed across the OMO and NTB curves as trading progressed.

This trend was sustained throughout the trading session as market participants provided liquidity to fund their obligations. By market close, just few trades were consummated across the curve as market participants continue to trade cautiously. Consequently, closing rates remained largely unchanged from opening levels.

### Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
8-Sep-22	9.75	16-Aug-22	14.00
13-Oct-22	9.00	04-Oct-22	11.30
26-Jan-23	7.50	14-Feb-23	8.02
27-Apr-23	4.90	7-Mar-23	8.00

We expect the market to trade with similar sentiments tomorrow barring any significant market information.

## Bond

The FGN Bond market opened on a calm note during today's trading session. Towards the early hours of trading session, we witnessed demand for the 2029 papers with limited offers for the security in the market.

As market progressed, we observed offers across the short to long end of the curve. Emphasis was on the 2025, 2037, 2042 maturities with yields quoted at 11.35%, 13% and 13.70% respectively. However, bids remained elevated and just few trades were consummated. By close of market, rates remained stable from opening levels.

We anticipate the bearish trend to persist given the demand for high-yielding instruments by investors.

### FGN Bond Yields

	Current (%)	Previous (%)	%Δ
14.20 14-MAR-2024	10.81	10.81	0.00
13.53 23-MAR-2025	11.41	11.41	0.00
16.288 17-MAR-2027	11.91	11.71	1.71
13.98 23-FEB-2028	11.98	11.98	0.00
12.40 18-MAR-2036	13.01	13.01	0.00
16.2499 18-APR-2037	13.42	12.52	7.19
12.98 27-MAR-2050	13.40	13.40	0.00

### Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	14.00	13.00
Inflation y/y (%)	18.60	17.71
Foreign Reserves (Gross \$'Bn )	39.07	39.09

### Global Currency, Fixings and Commodities

Global Currencies		SOFR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.2118	1M	2.2917	WTI	92.54
EUR/USD	1.0135	3M	2.6100	BRENT	98.62
USD/JPY	134.28	6M	2.9620	GOLD	1,774.35
USD/CHF	0.9641	12M	3.1773	SILVER	19.84

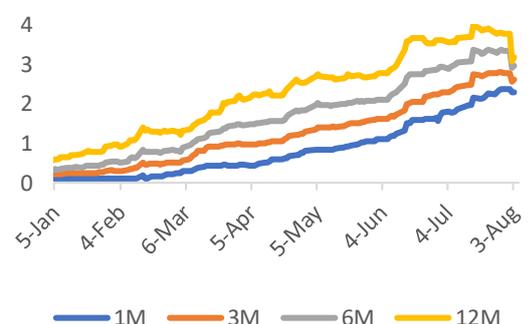
### Auction Results

Tenor/Maturity	BOND AUCTION – July 18, 2022			NTB AUCTION – JULY 27, 2022		
	MAR 2025	APR 2032	JAN 2042	91-day	182-day	364-day
Offer / Subscription (₦'Bn)	75.00/11.75	75.00/25.62	75.00/104.92	2.22/1.86	3.56/1.40	258.53/317.25
Total Allotment (₦'Bn)	5.30	17.82	100.72	1.69	1.26	261.33
Stop Rate(%)	11.00	13.00	13.75	2.80	4.10	7.00

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	14.25	13.49	75.25	77.25
ACCESS 9.125% PERP	18.38	17.56	72.75	74.75
ECOBANK 9.5% 2024	11.96	10.63	96.25	98.25
UBA 6.75% 2026	10.27	9.65	88.00	90.00
GHANA 7.625% MAY 2029	25.32	24.23	48.00	50.00
NIGERIA 7.875% 2032	12.96	12.73	72.63	73.63

### USD LIBOR Movement





## DOMESTIC NEWS

### ITF UNVEILS FRESH PLANS TO TACKLE UNEMPLOYMENT, POVERTY IN NIGERIA

The Industrial Training Fund (ITF) has unveiled four-year strategic positive direction to fight the upsurge of unemployment and poverty among Nigerian youths.

Disclosing this in Jos, Director General of ITF, Joseph Ari said he was glad that the previous plans have impacted positively on Nigerian economy noting that the new plan was aimed at addressing the current challenges. He observed that the strategic policy direction is the third of such plans by the incumbent administration in ITF to turn out talented entrepreneurs who have become employers of labor.

Ari said, "You are aware that unemployment in Nigeria today is at over 33% as over 23 million Nigerians that are desirous to work cannot find jobs, mostly because of the absence of requisite skills. Poverty is equally on the rise with some estimates placing the number of Nigerians that are living in poverty at over 90 million. "In the face of all these, our population has continued to soar with the World Bank estimating that Nigeria might hit 216 million by the end of this year. Equally worrisome is the specter of the Out-of-School children, which according to the United Nations Children Fund (UNICEF) is projected to be over 18.5 million."

## GLOBAL NEWS

### HIGHER INTEREST RATES A 'BRIGHT SPOT' FOR EUROPE'S BANKS

European banks are hoping the boost to their businesses from higher interest rates will be long-lasting as they navigate the economic fallout of war, soaring inflation, and a looming energy crisis. The German lender Commerzbank (ETR:CBKG) on Wednesday reported a bigger-than-expected second-quarter net profit that it said was especially helped by higher interest rates.

Exhibiting a trend seen across Europe, Commerzbank's net interest income jumped 26% in the period from a year earlier as longer-term interest rates rose in Germany and as the central bank in Poland, where it has a big presence, hiked official borrowing costs.

Manfred Knof, the bank's chief executive, described "considerable" risks on the horizon, but singled out interest rates as a "bright spot".

For years, bank executives on the continent have bemoaned the European Central Bank's ultra-low monetary policy and charging of fees to park their cash as a drag on their bottom lines. But now, central bank efforts to arrest runaway inflation rates across Europe are proving a change of fortune. Banks from Spain to Britain are only just starting to benefit from the increased gap between what they charge borrowers and what they pay savers.

Sources: FMDQ, Access Bank Treasury Team, CBN, Bloomberg, Thisday, Investing.com, 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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