

# Daily Market Update

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

Monday, 17 October 2022

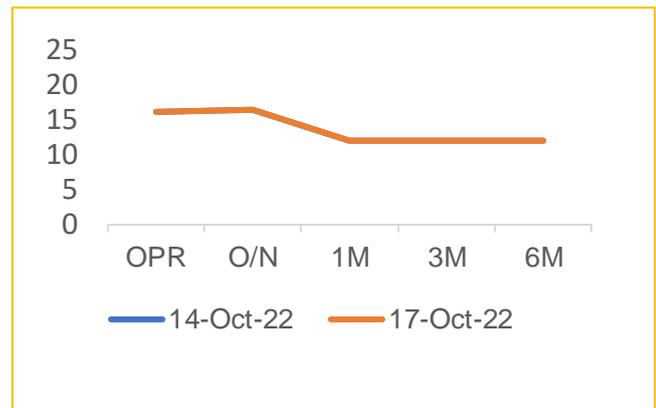
## Money Market

Market liquidity opened the week with a Repo balance of ₦110bn a significant decline from the previous week's close of ₦196bn.

Despite this, the OPR remained stable to close the day at 16.17% and 16.50% respectively.

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

## Money Market Rate Movement



## Foreign Exchange

We saw the NAFEX depreciate day on day by ₦0.30 at \$/₦440.80

The paucity of funds at the IEFX market persisted throughout the trading session, with most market participants at the left-hand side of the quote, at close of business, the closing rate however appreciated slightly by ₦0.13 to close at \$/₦ 441.25

We anticipate the Central Bank of Nigeria to intervene in the market tomorrow for SMEs and invisibles

## FX Rates

	Current	Previous	%Δ
I&E Closing	441.25	441.38	(0.01)
NAFEX	440.80	440.50	0.07

## Treasury Bills

The Treasury Bills secondary market opened on a quiet note today with a bearish undertone as market participants shifted their attention to the Bond auction conducted by the DMO. This quiet sentiment persisted for most of the trading session with very few trades consummated by market close. Consequently, closing rates remained largely unchanged from opening levels.

Tomorrow, there is no OMO maturity to be credited to the system and as such, we expect the quiet sentiment to persist as market participants continue to trade cautiously.

## Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
27-Oct-22	7.14	14-Feb-23	10.34
26-Jan-23	6.63	21-Feb-23	8.28
09-Mar-23	7.02	7-Mar-23	11.38
08-Jun-23	7.93	2-May-23	11.05

## Bond

The Bond market opened on a calm note as this persisted throughout the trading session. Market attention shifted towards the Bond auction in which the DMO is set to borrow ₦225bn across the 2029, 2032 and 2037 papers. Mild activities were observed on the 2037 paper with yields quoted at 15.42% level. Across the curve, yield remained stable by close of market.

We anticipate improved market activities tomorrow as participants react to the outcome of the Bond auction.

### FGN Bond Yields

	Current (%)	Previous (%)	%Δ
14.20 14-MAR-2024	14.10	14.10	(1.05)
13.53 23-MAR-2025	13.75	13.75	0.00
16.288 17-MAR-2027	13.71	13.72	(0.07)
13.98 23-FEB-2028	13.90	13.90	0.00
12.40 18-MAR-2036	14.00	14.00	0.00
16.2499 18-APR-2037	15.40	15.33	0.46
12.98 27-MAR-2050	14.60	14.60	0.00

### Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	15.50	14.00
Inflation y/y (%)	20.77	20.52
Foreign Reserves (Gross \$'Bn )	37.88	37.91

### Global Currency, Fixings and Commodities

Global Currencies		SOFR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.1390	1M	3.47	WTI	85.93
EUR/USD	0.9844	3M	3.96	BRENT	92.01
USD/JPY	148.76	6M	4.39	GOLD	1,667.90
USD/CHF	0.9957	12M	4.69	SILVER	18.66

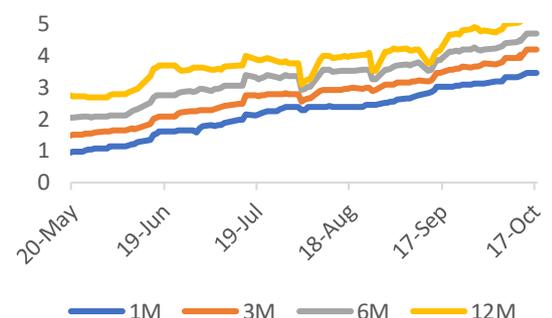
### Auction Results

Tenor/Maturity	NTB AUCTION – OCTOBER 12, 2022			BOND AUCTION – SEPTEMBER 19, 2022		
	96-day	194-day	362-day	MAR 2025	APR 2032	JAN 2042
Offer/Subscription (₦'Bn)	14.27/1.65	25.55/2.62	151.06/107.67	75.00/43.86	75.00/56.94	750.00/145.64
Total Allotment (₦'Bn)	1.55	2.52	30.75	42.36	47.44	139.40
Stop Rate(%)	6.47	7.90	13.00	13.50	13.849	14.50

### Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	15.15	14.33	74.00	76.00
ACCESS 9.125% PERP	19.06	17.78	72.00	75.00
ECOBANK 9.5% 2024	12.89	11.74	95.50	97.00
UBA 6.75% 2026	11.10	10.43	86.00	88.00
GHANA 7.625% MAY 2029	35.93	34.15	34.13	36.13
NIGERIA 7.875% 2032	15.01	14.74	64.75	65.75

### USD LIBOR Movement





## DOMESTIC NEWS

### FOREX CRISIS WORSENS AS NAIRA, FOREX RESERVES DROP TO LOWEST LEVELS

The naira lost more strength at the foreign exchange (forex) markets at the weekend as the nation's forex reserves depreciated to its lowest level in a year. Nigeria's forex reserves for the sixth consecutive week to close weekend at \$37.91 billion, implying a drop of \$165.7 million during the week. The continuing decline in forex reserves further heightened the currency crisis with a backlog of unmet forex demand. At the official market, the naira depreciated by 0.5 per cent to ₦441.38 per dollar as turnover at the Central Bank of Nigeria (CBN)'s managed Investors & Exporters (I &E) Window declined by about 22 per cent.

At the parallel market, where majority of independent users' source forex, the naira declined by 1.1 per cent to a new low of ₦743.00 per dollar. Most analysts at the weekend said there were no respites for the naira in the period ahead citing the country's compounded macroeconomic risks.

## GLOBAL NEWS

### WALL STREET JUMPS AS SOLID BOFA RESULTS SPARK RALLY

Wall Street's main indexes jumped on Monday as Bank of America led gains among lenders after reporting better-than-expected results that were underpinned by the Federal Reserve's rapid rate hikes. Bank of America Corp (NYSE:BAC) rose 6.2% as the lender benefited from higher net interest income in its third quarter, even though it added \$378 million to its loan-loss reserves. "BAC benefited from a higher interest rate environment in both the yields on the newly issued loans and the growth of the number of depositors," said Siddharth Singhai, chief investment officer of New York-based investment firm Ironhold Capital.

Overall, higher rates boosted interest incomes for lenders in the third quarter, but turbulent markets choked off dealmaking and banks set aside more funds to brace for an economic slowdown. The S&P 500 banks index was up 3.8%. All the 11 S&P 500 sector indexes were higher with technology, communication services and consumer discretionary leading with near 3% gains each. Wall Street is deep in bear market territory, with economic indicators pointing to little signs of decades-high inflation cooling, but some analysts noted that stocks at such depressed levels could pave the way for short-term rallies.

**Sources:** FMDQ, Access Bank Treasury Team, CBN, Bloomberg, Nairametrics, ThisDay, 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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