

Daily Market Update

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

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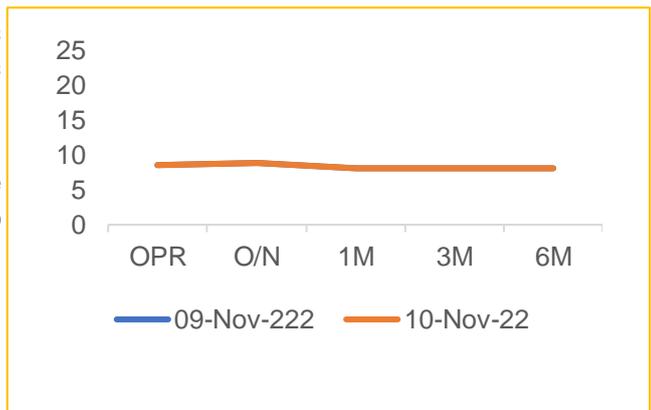
Money Market

Market liquidity opened the day with a credit balance of ₦423.55bn and was later depleted by the net NTB sales of N117bn as well as the OMO sales of N20bn.

Nevertheless, the OPR and O/N rates remained stable to close the day at 8.50% and 8.83% respectively as banks continue to fund their obligations.

We expect the rates to hover around these levels tomorrow despite the funding for the retail SMIS auction .

Money Market Rate Movement



Foreign Exchange

We saw a depreciation in the NAFEX rate in line with the continuous trend by ₦0.30 day on day to close at \$/₦444.10

The paucity of funds at the IEFX market persisted throughout trading today with most market participants at the left hand side of the quote, at close of business, the rate consequently depreciated slightly by ₦0.43 to close at a new all-time high of \$/₦446.10

We anticipate the Central Bank of Nigeria to conduct its retail SMIS auction. We expect rates to trade at these levels closing the week.

FX Rates

	Current	Previous	%Δ
I&E Closing	446.10	445.67	0.43
NAFEX	444.10	443.80	0.30

Treasury Bills

The Treasury Bills secondary market traded on a quiet note today as market participants remained on the sidelines. Pockets of demand were however observed across the long end of the curve, with interest largely skewed towards the newly issued 1-year Bill. Despite the fairly active market, average rates remained unchanged from opening levels.

An OMO auction was also conducted today where the CBN offered a total of 20bn and sold 20bn across the standard tenors from a subscription of 98.37bn. The 110day, 180day and 364day OMO bills had a stop rate of 7%, 8.5% and 10.10% respectively and however, the rates were kept stable.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
10-Nov-22	8.00	14-Feb-23	10.00
26-Jan-23	11.85	21-Feb-23	8.05
09-Mar-23	8.96	7-Mar-23	10.90
08-Jun-23	11.03	2-May-23	10.43

Bond

The Bond market opened with slight demand on the short end of the curve with emphasis on the 2026 paper. As market progressed, we saw demand on the 2024 bond with a few trades being consummated at 14.40%. There was albeit calm in the medium-term curve but slight bids were observed on the long end of the curve most especially the 2049 and 2050 bonds. Closing the trading day, average yields remained stable across the curve.

We expect slight bearish sentiment tomorrow due to the anticipated low liquidity arising from both today's NTB auction debit and Fridays' FX Retail Auction.

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
14.20 14-MAR-2024	15.15	15.15	0.00
13.53 23-MAR-2025	14.30	14.51	-0.21
16.288 17-MAR-2027	14.59	14.59	-0.00
13.98 23-FEB-2028	14.62	14.40	0.22
12.40 18-MAR-2036	14.67	14.67	0.00
16.2499 18-APR-2037	15.90	15.87	-0.04
12.98 27-MAR-2050	14.95	14.95	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)	37.25	37.29

Global Currency, Fixings and Commodities

Global Currencies		SOFR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.1669	1M	3.79	WTI	↑ 86.93
EUR/USD	1.0169	3M	4.27	BRENT	↑ 93.89
USD/JPY	141.79	6M	4.62	GOLD	↑ 1,752.95
USD/CHF	0.9678	12M	4.91	SILVER	↑ 21.663

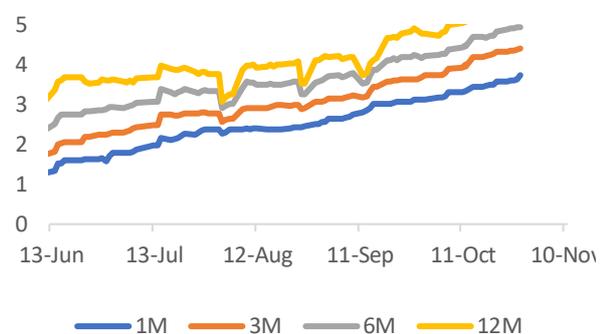
Auction Results

Tenor/Maturity	NTB AUCTION – OCTOBER 26, 2022			BOND AUCTION – OCTOBER 17, 2022		
	91-day	182-day	364-day	APR 2029	APR 2032	APR 2037
Offer/Subscription (₦'Bn)	21.15/15.14	32.83/6.36	139.06/499.42	75.00/7.43	75.00/15.60	75.00/96.15
Total Allotment (₦'Bn)	4.5	5.4	300.16	3.13	11.90	92.85
Stop Rate(%)	6.50	8.05	13.9900	14.50	15.00	16.00

Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	15.09	14.26	74.5	76.5
ACCESS 9.125% PERP	19.89	18.55	70.5	73.5
ECOBANK 9.5% 2024	12.44	11.24	96.25	97.75
UBA 6.75% 2026	11.44	10.75	85.25	87.25
GHANA 7.625% MAY 2029	36.97	35.12	33.375	35.375
NIGERIA 7.875% 2032	12.50	12.28	75	76

USD LIBOR Movement





DOMESTIC NEWS

MOBILE TRANSACTIONS IN NIGERIA DOUBLE TO N12.8 TRILLION IN 9 MONTHS

Nigerians carried out N12.8 trillion worth of mobile transactions between January and September 2022, more than double the amount recorded in the same period last year and even much more than what was recorded in 2020.

This is according to data from the Nigeria Inter-Bank Settlement System (NIBSS) for 2018 to 2022. According to the NIBSS, recorded mobile inter-scheme transactions in Nigeria grew by a whopping 153% year-on-year in the first nine months of 2022 from N5.07 trillion recorded in the comparable period of 2021. The total transactions for the current year represent an even higher margin when compared to the same period of 2020 (N1.89 trillion), 2019 (N461.4 billion), and 2018 (N216.4 billion).

Mobile and electronic forms of banking have been on the rise, particularly since the COVID-19 pandemic, which necessitated the use of more cashless forms of payment across the country. A closer look at the data tracked by the NIBSS showed that the volume of mobile transactions rose by over 132% in the review period.

Specifically, a total of 438.28 million transactions were recorded through mobile, higher than the 284.5 million transactions recorded in 2021. Similarly, a sum of N6.05 trillion was spent through POS transactions in the first nine months of the year, a little below the N6.4 trillion recorded in the full-year 2021, with three months left till the end of the year.

GLOBAL NEWS

UKRAINIAN FORCES ADVANCE IN SOUTH AFTER RUSSIA ANNOUNCES RETREAT

Ukrainian troops advanced in the south on Thursday after Moscow ordered one of the war's biggest retreats, though Kyiv remained publicly wary, warning that fleeing Russians could turn Kherson into a "city of death".

Ukraine's army chief Valeriy Zaluzhnyi said Kyiv could not yet confirm whether Russia was indeed pulling out, but that Ukrainian troops had advanced 7 km (4 miles) in the past 24 hours and recaptured 12 settlements.

A small group of Ukrainian soldiers was shown on Ukraine's state TV in the centre of the village of Snihurivka around 55 km north of Kherson city. They were greeted by dozens of residents in a square, with a Ukrainian flag fluttering from a pole behind them. Reuters verified the location of the video.

"Today, on Nov. 10, 2022, Snihurivka was liberated by the forces of the 131st Separate Intelligence Battalion. Glory to Ukraine!" a commander declared as the locals applauded, cheered and filmed the soldiers on their phones.

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

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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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