

Daily Market Update

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

Thursday, 24 November 2022

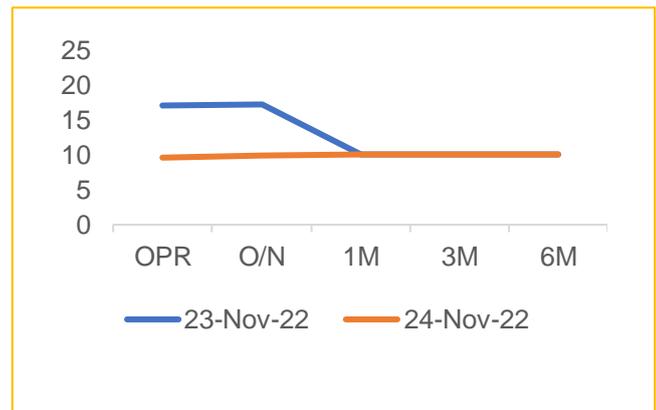
Money Market

Market liquidity opened the day with a credit balance of ₦319.67bn, a significant increase from previous day's levels owing to the FAAC inflow into the system.

Consequently, the OPR and O/N rates declined by 750bps to close the day at 9.63% and 9.88% respectively.

We expect the rates to increase tomorrow as banks funds for the biweekly retail SMIS auction.

Money Market Rate Movement



Foreign Exchange

During today's trading session, the paucity of funds was evident in the IEFX market. By the time trading ended, not many trades had been completed. However, the Naira gained One Naira to close the day at \$/₦445.

Similarly, the NAFEX gained ₦0.05 to be fixed at \$/₦444.50.

We expect the CBN to conduct the Bi-weekly Retail SMIS Auction tomorrow and rates to remain at these levels.

FX Rates

	Current	Previous	%Δ
I&E Closing	445.00	446.00	(0.22)
NAFEX	444.50	444.55	(0.01)

Treasury Bills

The Treasury Bills secondary market traded on a quiet note with a bullish undertone due to the improved liquidity in the system from the FAAC inflow. 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.

Closing the week, we expect the market to trade on a similar note as market players continue to adopt a cautious trading approach.

Treasury Bills

NTB Maturity	Rate(%)	OMO Maturity	Rate(%)
26-Jan-23	11.58	14-Feb-23	10.00
09-Mar-23	8.96	21-Feb-23	8.05
08-Jun-23	11.03	7-Mar-23	10.90
07-Sep-23	13.00	2-May-23	10.43

Bond

The Bond market opened on a calm note today. As the market progressed, we saw intense demand on the 2026 papers with bids hovering around 14.45%, while offers were observed at 14.35%. There were also offers for the 2037 bond at sub 16% handle, but these were barely lifted as bids remained above 16.05%. The long end of the curve traded calmly with bid/offer for the 2042 instrument shown at 14.75%/14.62%. By and large, average yields remained the same across the benchmark bonds.

We expect similar sentiment to persist barring any new market information tomorrow

FGN Bond Yields

	Current (%)	Previous (%)	%Δ
14.20 14-MAR-2024	14.35	15.17	(5.71)
13.53 23-MAR-2025	14.30	14.30	0.00
16.288 17-MAR-2027	14.59	14.59	0.00
13.98 23-FEB-2028	14.38	14.38	0.00
12.40 18-MAR-2036	14.74	14.74	0.00
16.2499 18-APR-2037	16.36	16.05	1.89
12.98 27-MAR-2050	14.72	14.72	0.00

Monetary Policy

Key Indicator	Current	Previous
Monetary Policy Rate (%)	16.50	15.50
Inflation y/y (%)	21.09	20.77
Foreign Reserves (Gross \$'Bn)	37.19	37.19

Auction Results

NTB AUCTION – NOVEMBER 23, 2022				BOND AUCTION – NOVEMBER 14, 2022		
Tenor/Maturity	91-day	182-day	364-day	APR 2029	APR 2032	APR 2037
Offer/Subscription (₦'Bn)	32.28/11.97	41.25/3.05	139.89/345.23	75.00/39.45	75.00/34.82	75.00/269.73
Total Allotment (₦'Bn)	11.68	1.82	199.93	25.12	27.12	216.91
Stop Rate(%)	6.50	8.05	14.8400	14.75	15.20	16.20

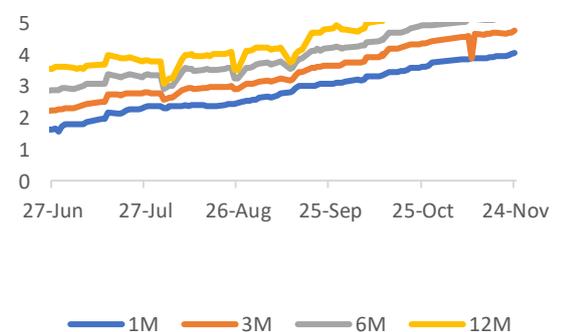
Eurobonds

Security	Yield Bid (%)	Yield Offer (%)	Price Bid	Price Offer
ACCESS 6.125% 2026	13.92	13.32	77.5	79
ACCESS 9.125% PERP	19.74	18.84	71	73
ECOBANK 9.5% 2024	12.09	10.87	96.75	98.25
UBA 6.75% 2026	11.21	10.52	86	88
GHANA 7.625% MAY 2029	37.47	35.58	33	35
NIGERIA 7.875% 2032	11.91	11.70	77.75	78.75

Global Currency, Fixings and Commodities

Global Currencies		SOFR		Commodities	
CCY	Rate	Tenor	Rate (%)	Comm.	Price (\$)
GBP/USD	1.2147	1M	4.06	WTI	77.72
EUR/USD	1.0422	3M	4.39	BRENT	84.72
USD/JPY	138.15	6M	4.70	GOLD	1,755.75
USD/CHF	0.9424	12M	4.92	SILVER	21.505

USD LIBOR Movement





DOMESTIC NEWS

GDP: NIGERIA'S AGRICULTURE SECTOR GREW BY 1.34% IN Q3 2022

Nigeria's agriculture sector grew by 1.34% (year-on-year) in real terms in the 3rd quarter of 2022. This was disclosed in the Q3 GDP report by the National Bureau of Statistics on Thursday afternoon.

This is an increase of 0.14% points from the preceding quarter, which recorded a growth rate of 1.20% as Nigeria's gross domestic product (GDP) grew by 2.25% year-on-year in Q3 2022, marking the slowest growth since the Covid-19 pandemic.

The NBS noted that Nigeria's agricultural sector in the third quarter of 2022 grew by 1.34% (year-on-year) in real terms, an increase of 0.12% points from the corresponding period of 2021, and an increase of 0.14% points from the preceding quarter which recorded a growth rate of 1.20%.

It grew on a quarter-on-quarter basis at 40.02%. The sector contributed 29.67% to overall GDP in real terms in Q3 2022, lower than the contribution in the third quarter of 2021 and higher than the second quarter of 2022 which stood at 29.94% and 23.24% respectively.

GLOBAL NEWS

GLOBAL REGULATORS TO TARGET CRYPTO PLATFORMS AFTER FTX CRASH

The crash of FTX exchange has injected greater urgency into regulating the crypto sector and targeting such 'conglomerate' platforms will be the focus for 2023, the new chair of global securities watchdog IOSCO said in an interview.

Jean-Paul Servais said regulating crypto platforms could draw on principles from other sectors which handle conflicts of interest, such as at credit rating agencies and compilers of market benchmarks, without having to start from scratch.

Crypto assets like bitcoin have been around for years but regulators have resisted jumping in to write new rules. But the implosion at FTX, which left an estimated one million creditors facing losses totaling billions of dollars, will help change that. "The sense of urgency was not the same even two or three years ago. There are some dissenting opinions about whether crypto is a real issue at the international level because some people think that it's still not a material issue and risk," Servais said.

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