

Market Report

Daily Market Snapshot

6 Sept 2019

INTERNATIONAL NEWS

- Oil rose on Monday on expectations that Saudi Arabia, the world's largest oil exporter, will continue to support output cuts by OPEC and other producers to prop up prices under new Energy Minister Prince Abdulaziz bin Salman.
- Sterling slipped 0.3% versus the dollar and the euro on Monday before the British parliament votes on whether to hold an early election on October 15, a motion that is likely to be defeated for a second time.

LOCAL NEWS

- Sentiment in the equity space remained dampened further last week by economic metrics which showed a decline in non-oil Gross Domestic Product growth. The equities market declined with the All Share Index dropping by 138 basis points as losses in the consumer goods sector drove the market lower. The market capitalisation of equities shed N184bn as it dropped to N13.207tn on Friday last week from N13.391tn on the Friday of the previous week.

Source: Reuters, Bloomberg & Nigerian Newspapers

MARKET UPDATES

- Market liquidity opened with an estimated N520bn long position. OBB and OVN traded around 2%-3%. Rates are expected to trade at these levels barring major outflow.
- The market ended the trading week on a bullish note with rates on traded maturities declining further on the back of buoyant systemic liquidity and an absence of a mop up by the CBN. As usual, short- to mid-dated maturities saw most of the trades with longer tenor bills remaining muted; except for the newly issued 3-Sep 2020 bill, which had over 60bn in volume (mostly block-trades)
- Another quiet session in the bonds space with a bullish tilt. Most activities were seen in the long end of the yield curve (2036s and 2037s). The turnover during the trading session was about N2.76billion as the yield curve steepened further. Closing offer yields ranged between 13.71% and 14.50%. The market direction remains unclear; however, we expect yields to rebound as CBN might try to mop up excessive liquidity.
- USD/NGN traded around 361.75/362.25. There was further improvement in USD liquidity. Turnover volumes of \$322.42mn were recorded at the I&E FX window. The Naira exchange rate may hover around current levels for now.

FX	Offer Rate
USD/NGN (CBN Official rate)	306.90
USD/NGN (I & E FX Window)	362.25
GBP/USD	1.2284
EUR/USD	1.1034

NAIRA FIXES	Current Rate	Previous Rate
NAFEX -USD/NGN	362.21	362.25

Source: CBN, FMDQ & Reuters

Money Market	Current Rate	Previous Rate
OBB	4.21%	8.64%
Overnight	5.14%	9.50%

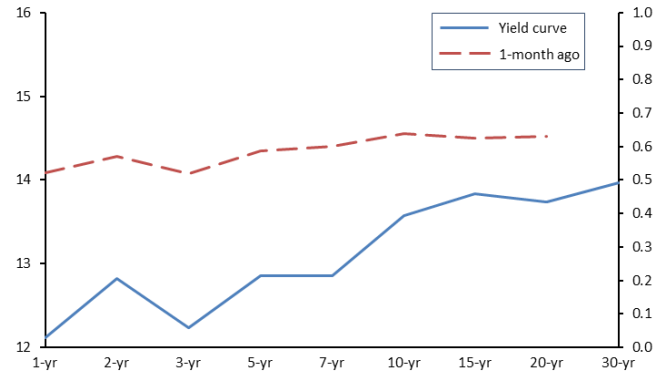
NIBOR	Current Rate	Previous Rate
1-Month	14.31%	14.51%
3-Months	14.57%	14.77%
6-Months	15.13%	15.34%

Source: FMDQ

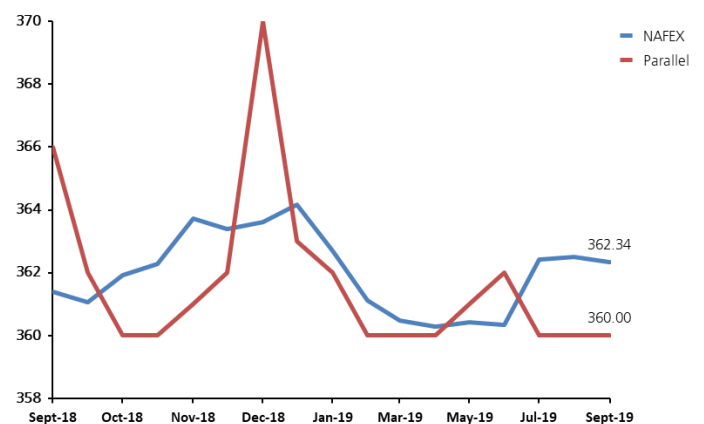
LIBOR (USD)	Current Rate	Previous Rate
1-Month	2.04%	2.06%
2-Months	2.14%	2.12%
3-Months	2.13%	2.11%
6-Months	2.03%	1.99%

Source: Benchmark Administration Ltd.

YIELD CURVE



MONTHLY CLOSING MARKET LEVELS (USD/NGN)



AUTONOMOUS RATES -FBN	Min Buy	Max Sell
USD/NGN (PTA)	357.50	358.50
GBP/NGN (PTA)	441.30	445.30
EUR/NGN (PTA)	391.78	395.78

Source: First Bank (Indicative rates only)

DEPOSIT RATES -FBN	Rates		
30-DAY	6.50%	-	9.50%
60-DAY	5.50%	-	9.25%
90-DAY	5.00%	-	8.75%
180-DAY	4.75%	-	8.75%
365-DAY	4.50%	-	8.25%

Source: First Bank

COMMODITIES	Current	Previous
Brent Crude (USD/b)	61.88	60.91
Gold (USD/t oz)	1,512.80	1,510.00
Sugar (USD/MT)	302.00	302.20
Cocoa (USD/MT)	2,216.00	2,184.00

Source: Bloomberg & ICE

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