

FIXED INCOME MARKET WATCH

Tuesday, 3rd January – Friday, 6th January 2023



AVA
RESEARCH

FGN BONDS

The debut trading week in 2023 opened on a good note for the Nigerian fixed income market as evidenced by high trading activities coupled with a northward movement of bond prices. Bullish investors and fund managers took positions in bonds with diverse maturities and set the market on a positive price performance at the week's close.

Upbeat activity in the market pushed the average FGN bond yield to 13.02%, 29bps lower than 13.36% seen last week.

Descriptions	Yield (%) 6-Jan-23	Yield (%) 30-Dec-22	Change
14.20 14-MAR-2024	10.82	11.72	-0.90
13.53 23-MAR-2025	11.11	11.83	-0.73
12.50 22-JAN-2026	11.35	11.60	-0.25
16.2884 17-MAR-2027	12.60	13.93	-1.33
13.98 23-FEB-2028	12.92	12.92	0.00
14.55 26-APR-2029	13.50	13.99	-0.49
12.1493 18-JUL-2034	13.25	13.25	0.00
12.50 27-MAR-2035	13.50	13.50	0.00
12.40 18-MAR-2036	13.47	13.47	0.00
16.2499 18-APR-2037	14.57	14.62	-0.05
13.00 21-JAN-2042	13.85	13.85	0.00
14.80 26-APR-2049	14.16	14.32	-0.16
12.98 27-MAR-2050	14.15	14.00	0.15

FOREX: NGN/USD

The naira did not stop its freefall in the week under review due to the pummeling impact of lower crude oil receipts together with soaring demand and low supply of the USD in the official foreign exchange window.

(N/\$)	6-Jan-23	30-Dec-22	Change
I&E FX Window	450.55	449.05	1.50

MONEY MARKET

A stronger week-on-week growth in liquidity demand in the money market prompted an upsurge in the rates on the open repurchase and the overnight rate.

	6-Jan-23	30-Dec-22	Change
Open Repo (%)	13.00	11.75	1.25
Overnight Rate (%)	14.50	11.33	3.17

COMMODITIES

Crude oil prices commenced the year on a slightly bearish note following fears among investors about the near-term status of demand in the oil market in the new year.

Brent oil futures closed below \$80 during the week despite that the existence of embargos and bans placed by the European Union. During the week, Russia continued to supply its crude oil to Asian countries in order to release the output from its pent-up crude oil production. The resulting dip in demand for the black gold prompted Saudi Aramco to woo Asian buyers through discounted oil prices in a bid to raise its trading volume, and analysis during the week suggests that Aramco may even lower prices further to raise its sales volume. The OPEC has reiterated that it will cut oil supply if prices do not recover in the short term.

Despite the FOMC communicating its intention to not cut rates in 2023, bullish trading in the gold futures market signalled investors' certitude that interest rates will stay on the high side since inflation in the USA is still not at 2%.

(\$)	6-Jan-23	30-Dec-22	Change
Brent Oil	78.51	85.91	-7.40
WTI Oil	73.77	77.49	-3.72
Gold	1,870.50	1,826.20	44.30

TREASURY BILLS

As was observed in the longer-term fixed income market, bullish investor activity in the Nigerian treasury bill space was observed in the four-day trading week. Higher trade prices and increased trading volume caused the market to close in a better state compared to the previous week.

The average T-bill yield thus 3.31% from 5.29% last week.

DTM	Maturity Date	Yield (%) 6-Jan-23	Yield (%) 30-Dec-22	Change
20	26 Jan 23	3.01	3.02	0.00
34	9 Feb 23	3.02	3.02	0.00
62	9 Mar 23	2.22	3.93	-1.71
111	27 Apr 23	3.23	3.54	-0.31
125	11-May-23	3.27	5.12	-1.85
153	8 Jun 23	3.33	5.57	-2.25
244	7 Sep 23	3.54	7.13	-3.59
293	26 Oct 23	3.65	8.02	-4.37
307	9 Nov 23	4.49	8.29	-3.79

AVA Global Asset Managers Mutual Fund Price (6-Jan-2023)

	Bid Price	Offer Price	YTD Return
AVA GAM Dollar Fund	\$97.02	\$97.02	2.02%
AVA GAM Naira Fund	₦1,128.93	₦1,128.93	0.15%

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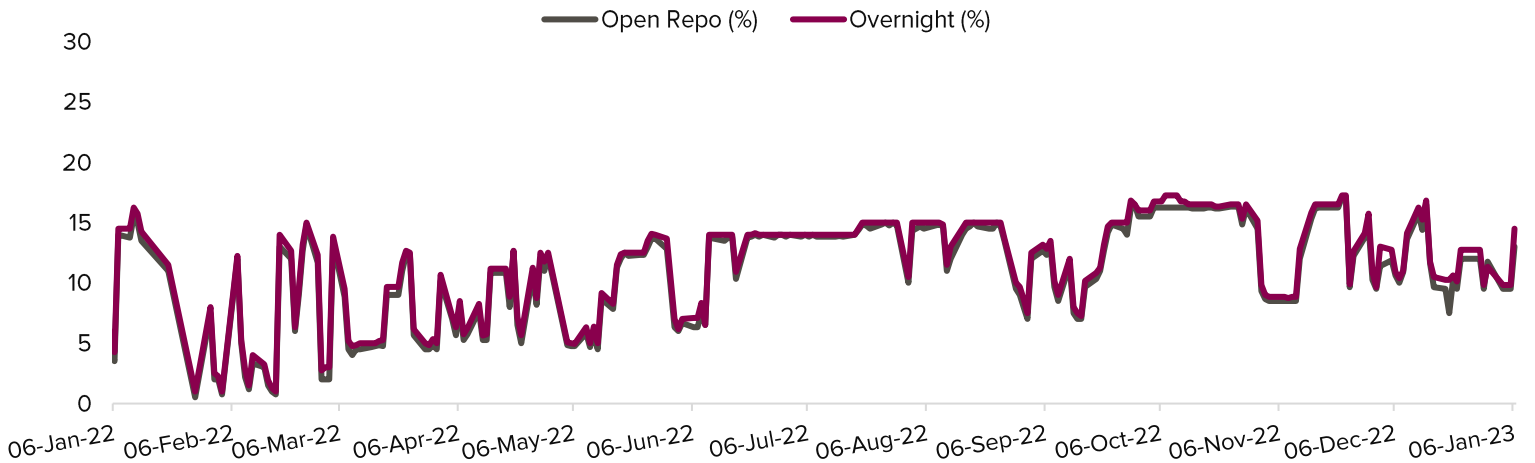
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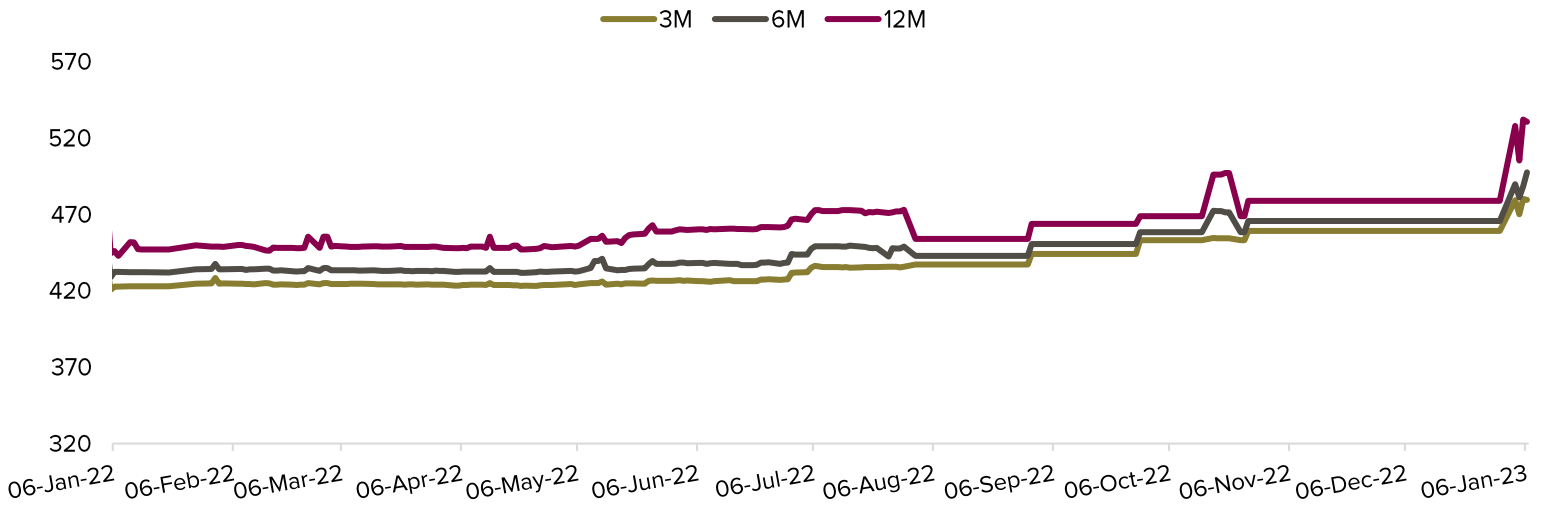
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Money Market Rates



FX Future Contracts (N/\$)



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