



# Fixed Income Market Monitor

Monday, 05 – Friday, 12 March 2021

## Money Market

The overnight (OVN) rate dipped by 216bps week-on-week to settle at 14.17%. It remained high due to the shrinking level of inflows from OMO maturities (N60.00 billion) especially with significant funding pressures on the system for CBN's weekly FX and OMO (N60.00 billion) auctions and net issuance (N19.86 billion)

*We expect the system liquidity to remain buoyant this week, with OMO maturities of N260.21 billion expected to hit the system.*

Instrument	05/03/2021	12/03/2021	Change
OBB	15.33%	13.33%	-2.00%
OVN	16.33%	14.17%	-2.16%

Source: Anchoria AM Research, FMDQ OTC

## Forex: USD/NGN

At the Investors & Exporters (I&E) window, naira appreciated against the dollar by 0.24% week-on-week, to close at N410.00/\$ compared to N411.00/\$ the previous week. In the parallel market, Naira depreciated by 62bps to close at N485/\$ compared to N482/\$ the previous week. Nigeria's FX reserves sustained its decline, as outflows from the reserves outstripped outflows. Hence, it dipped by \$176.57 million week-on-week to \$34.67 billion (10<sup>th</sup> March 2021). It is worth noting that this is the lowest position in 10 months, which was as of 11<sup>th</sup> May 2020 when the reserve was at \$34.66 billion.

*Expectations remain positive for the naira as the Central Bank continues to carry out measures aimed to stabilize and unify the exchange rate.*

Instrument	05/03/2021	12/03/2021	Change
CBN Official Rate	379.00	379.00	+0.00%
I&E FX Window	411.00	410.00	-0.24%
Everdon BDC Rate	482.00	485.00	+0.62%

Source: Anchoria AM Research, FMDQ OTC

## Commodities

Brent crude prices gained 0.03%, rising the 7<sup>th</sup> week since December, while WTI remained the same after gaining almost 4% last week. At the end of Friday, Brent crude futures gained 3.9% to settle at \$69.22 per barrel. The high for Brent crude was its highest since January 2020. Also, the U.S based oil contract, U.S West Texas Intermediate futures, rallied by 3.5% to settle at \$65.57 per barrel. Also, Oil soared higher as Saudi Arabia and the rest of OPEC+ members approved to hold the current production level.

Gold futures closed at \$1,711 per ounce, down by 0.3%. It is assumed that the recent price decline is due to the increasing strength of U.S dollar. At the beginning of the week, the yellow metal had seen its futures contract sink to an 11-month low to close at \$1,673.40 at the end of trading session on Monday.

Instrument	05/03/2021	12/03/2021	Change
Brent Oil	67.31	69.22	+0.03
WTI Oil	65.57	65.57	-

## Fixed Income

Trading activities in the bond market closed on a bullish note as investor's cherry-picking on attractive yields supported the market performance amid selloffs on various positions. On Thursday, in reaction to the higher stop rates on long-dated NTB. The average yield fell by 10bps to close at 9.27% compared to 9.37% in the previous week.

The Eurobond market started the week on a slightly bullish note as average yield fell by 49bps to close at 5.79% compared to 5.80% the previous week for FGN Eurobond. Similarly, the corporate Eurobond market closed at 4.36% compared to 4.37% the previous week.

*We expect investors to continue to react to events surrounding the global oil price and the pandemic.*

Description	Maturity Date	Yield 05/03/2021	Yield 12/03/2021	%Change
14.50 15-JUL-2021	15-Jul-21	1.47	1.96	+0.49
16.39 27-JAN-2022	27-Jan-22	2.35	4.08	+1.73
12.75 27-APR-2023	27-Apr-23	6.95	6.78	-0.17
14.20 14-MAR-2024	14-Mar-24	7.92	7.38	-0.53
13.53 23-MAR-2025	23-Mar-25	9.05	8.09	-0.96
12.50 22-JAN-2026	22-Jan-26	9.97	8.67	-1.30
16.2884 17-MAR-2027	17-Mar-27	10.06	9.46	-0.60
13.98 23-FEB-2028	23-Feb-28	10.10	10.10	+0.00
15.00 28-NOV-2028	28-Nov-28	10.16	10.10	-0.05
14.55 26-APR-2029	26-Apr-29	10.18	10.10	-0.08
12.49 22-MAY-2029	22-May-29	10.21	10.13	-0.07
8.50 20-NOV-2029	20-Nov-29	10.28	10.21	-0.07
10.00 23-JUL-2030	23-Jul-30	10.40	10.34	-0.06
12.1493 18-JUL-2034	18-Jul-34	11.10	11.11	+0.02
12.50 27-MAR-2035	27-Mar-35	11.20	11.07	-0.13
12.40 18-MAR-2036	18-Mar-36	11.09	11.08	-0.01
16.2499 18-APR-2037	18-Apr-37	11.10	11.09	0.00
9.80 24-JUL-2045	24-Jul-45	11.18	11.20	+0.02
14.80 26-APR-2049	26-Apr-49	11.35	11.20	-0.15
12.98 27-MAR-2050	27-Mar-50	11.39	11.23	-0.16

Source: Anchoria AM Research, FMDQ OTC

## Treasury Bills

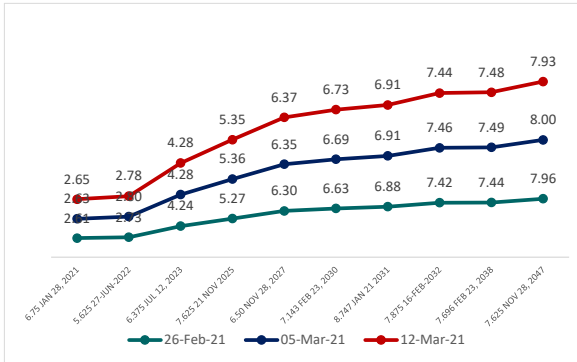
The T-bills market closed the week on a bearish note as the average yield across all instruments expanded by 125bps to 5.1% as markets participants position themselves for the auction. Consequently, the average yield was higher by 78bps to 6.8% at the OMO market and by 130bps to 2.8% at the NTB segment. At this week's OMO auction, the CBN sold NGN60.00 billion worth of bills to market participants and maintained stop rates across the three tenors, as with previous auctions. At the NTB auction, the CBN offered NGN88.91 billion – NGN4.41 billion of the 91-day, NGN14.00 billion of the 182-day, and NGN70.50 billion of the 364-day – in bills and ultimately allotted NGN108.77 billion. The auction stop rates were unchanged at 2.00% and 3.50% on the 91D and 182D bills but increased by 100bps to 6.50% for the 364-day bill.

*In line with the recent developments in the market, we maintain our expectation of higher yields in the T-bills secondary market.*

## Secondary Market

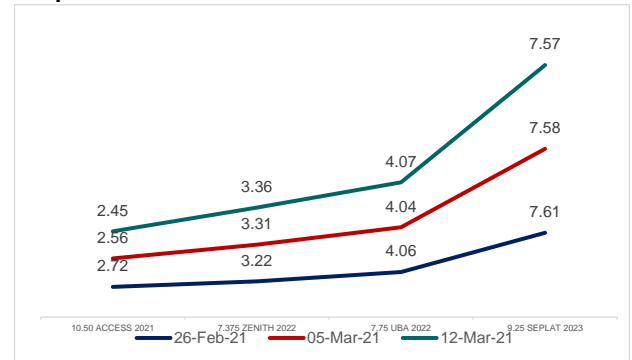
DTM	Maturity Date	Yield 05/03/2021	Yield 12/03/2021	%Change
11	23-Mar-21	1.90	1.39	-0.51
18	30-Mar-21	2.22	1.97	-0.25
60	11-May-21	4.00	5.48	+1.47
67	18-May-21	-	6.07	
74	25-May-21	4.55	5.24	+0.70
81	01-Jun-21	-	4.41	+4.41
88	08-Jun-21	4.66	4.66	0.00
151	10-Aug-21	5.21	6.96	+1.75
158	17-Aug-21	-	7.22	+7.22
165	24-Aug-21	5.33	7.07	+1.74
179	07-Sep-21	5.64	6.75	+1.11

### FGN Eurobond

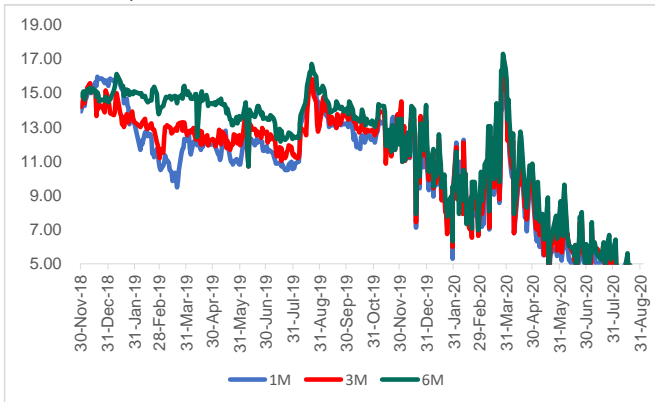


Source: Anchoria AM Research, FMDQ OTC

### Corporate Eurobond

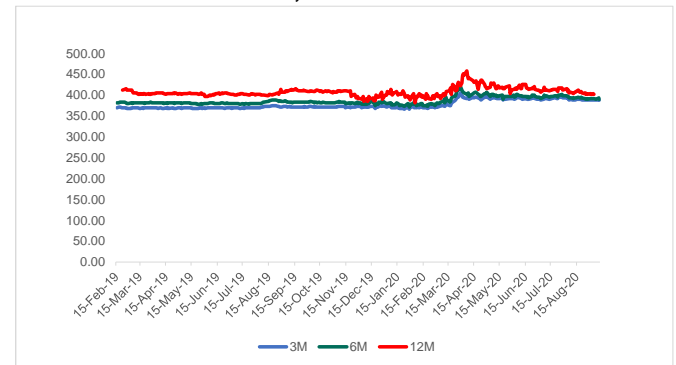


### NIBOR -1M, 3M & 6M



Source: Anchoria AM Research, FMDQ OTC

### FX Future Contracts -3M, 6M & 12M



Source: Anchoria AM Research, FMDQ OTC

### Anchoria Mutual Fund Price as at 12 March, 2021 (Year-To-Date Return/Yield)

	Bid Price	Offer Price	Total Return/Yield
Anchoria Money Market Fund	100.00	100.00	0.544% /annum
Anchoria Fixed Income Fund	1.17	1.17	-12.03% YTD
Anchoria Equity Fund	124.09	125.52	-6.66% YTD

#### CONTACTS

Anchoria Asset Management Limited  
 5th Floor, Elephant House  
 214, Broad Street  
 Marina  
 Lagos

Investment Research  
 Wealth Advisory

[research@anchoriaam.com](mailto:research@anchoriaam.com)  
[investor-relations@anchoriaam.com](mailto:investor-relations@anchoriaam.com)

+234 706 921 7842  
 +234 818 889 9455