

# Fixed Income Market Monitor

Monday, 30 - Friday, 03 April 2020

## Money Market

The average money market rate fell significantly last week by 14.05% to settle at 2.40% from 16.45% in the previous week. The system liquidity experienced buoyancy due to the inflows from CRR refunds worth c.N310 billion to banks and OMO maturities – N288.54 billion.

Outflows includes OMO auction – N4.00 billion and weekly wholesale retail FX intervention - \$210mn.

The Open Buy Back (OBB) and Overnight rates (O/N) fell to 2.20% and 2.60% from 15.80% and 17.10% respectively.

We expect incoming OMO maturities worth N130.93 billion to increase money market rate this week.

Instrument	27/03/2020	03/04/2020	Change
OBB	15.80%	2.20%	-13.60%
OVN	17.10%	2.60%	-14.50%

Source: Anchoria AM Research, FMDQ OTC

## Forex: USD/NGN

The Forex market remained under pressure last week as foreign investor continually shun the Nigerian market coupled with continuous intervention by the CBN. The country's external reserve slumped by c1% wow to close at \$35.2 billion.

The Naira at the parallel market remained as high as N416.00/\$ as CBN suspended foreign exchange sales to the Bureau De Change (BDC) operators while the I&E FX window rose by 39bps to close at N383.00/\$ from N381.50/\$ while the rate at the CBN Official window remained stable at N361/\$.

	27/03/2020	03/04/2020	Change
CBN Official Rate	361.00	361.00	+0.00%
I&E FX Window	381.50	383.00	+0.39%
Everdon BDC Rate	416.00	416.00	+0.00%

Source: Anchoria AM Research, FMDQ OTC

## Commodities

Brent oil price rose by 0.28% to close at \$32.00 a barrel while West Texas Intermediate (WTI) crude was up by 0.22% to close at \$26.29 a barrel.

The International crude oil spiked during the week, raising hopes in the country that Nigeria could meet its financial obligations to its citizens and fulfil its global commitment in the short term. The rise in price is due to the increasing reports that the members of OPEC and their allies would be holding a virtual meeting to discuss an end to the price war, mainly between Russia and Saudi Arabia.

Instrument	27-03-20	03-04-20	Change
Brent Oil	24.93	32.00	+0.28
WTI Oil	21.51	26.29	+0.22

## Fixed Income

### Bond: FGN

The secondary sovereign Bond market closed bullish last week as the average yield fell by 25bps to close at 11.77% compared to 12.02% the previous week. The yield declined across all instruments except the APR-2023 bond which rose by 5bps to close at 10.60% while the highest yield decline of 72bps was witnessed in the JUL-2034 to close at 12.51%.

The Sovereign Eurobond market closed on a bearish note as the average yield rose by 77bps to close at 13.03% compared to 12.26% the previous week. In the same vein, the Corporate Eurobond market closed bearish as the average yield rose by 15bps to close at 11.40% compared to 11.25% the previous week.

We expect to witness some demand pressure in the Eurobond space this week due to the optimism seen in the Oil market towards the tail end of the week.

Description	Maturity Date	Yield 27-03-20	Yield 03-04-20	%Change
14.50 15-JUL-2021	15-Jul-21	6.30	6.06	-0.24
16.39 27-JAN-2022	27-Jan-22	7.57	7.42	-0.15
12.75 27-APR-2023	27-Apr-23	10.55	10.60	+0.05
14.20 14-MAR-2024	14-Mar-24	11.16	11.15	-0.01
13.53 23-MAR-2025	23-Mar-25	11.76	11.75	0.00
12.50 22-JAN-2026	22-Jan-26	12.24	12.24	0.00
16.2884 17-MAR-2027	17-Mar-27	12.75	12.61	-0.14
13.98 23-FEB-2028	23-Feb-28	12.90	12.52	-0.38
15.00 28-NOV-2028	28-Nov-28	12.94	12.58	-0.36
14.55 26-APR-2029	26-Apr-29	12.95	12.60	-0.35
12.49 22-MAY-2029	22-May-29	12.96	12.60	-0.36
8.50 20-NOV-2029	20-Nov-29	12.98	12.59	-0.39
10.00 23-JUL-2030	23-Jul-30	13.02	12.58	-0.44
12.1493 18-JUL-2034	18-Jul-34	13.23	12.51	-0.72
12.50 27-MAR-2035	27-Mar-35	13.12	12.56	-0.56
12.40 18-MAR-2036	18-Mar-36	12.98	12.64	-0.34
16.2499 18-APR-2037	18-Apr-37	12.98	12.71	-0.28
14.80 26-APR-2049	26-Apr-49	13.01	12.95	-0.06
12.98 27-MAR-2050	27-Mar-50	12.99	12.97	-0.02

Source: Anchoria AM Research, FMDQ OTC

### Treasury Bills

The T-bills secondary market closed on a bullish note last week as the average yield fell by 49bps to close at 3.22% compared to 3.70% the previous week. In the same vein, OMO bills pared by 25bps to close at 11.77% compared to 12.02% the previous week.

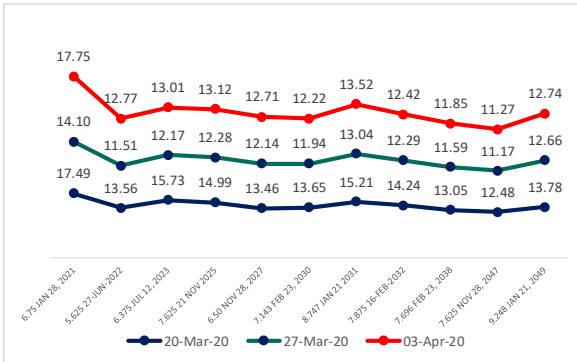
At the T-bill auction last week, the CBN offered instruments worth N110.00 billion which witnessed an oversubscription by investors across all tenors. The stop rates closed at 2.20%, 3.20% and 4.30% for the 91 day, 182 days and 364 day bills respectively. (See next page for T-bills results) while the OMO Auction was poorly demanded, as local and offshore players shy off from the auction, CBN was only able to sell N4Bn out of N110bn offered across three tenors, cutting the stop rate to 12.80% on the 348-day tenor.

We expect bullish sentiments to continue in the Treasury Bills market as demand for OMO bills continues.

### Secondary Market

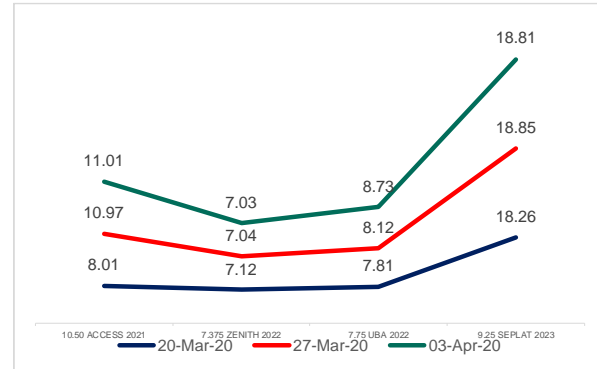
DTM	Maturity Date	Yield 27-03-20	Yield 03-04-20	%Change
13	16-Apr-20	14.64	12.62	-2.02
20	23-Apr-20	14.68	12.31	-2.38
41	14-May-20	14.81	11.34	-3.47
55	28-May-20	14.89	12.18	-2.71
62	04-Jun-20	12.64	12.61	-0.03
76	18-Jun-20	13.10	12.62	-0.47

### FGN Eurobond



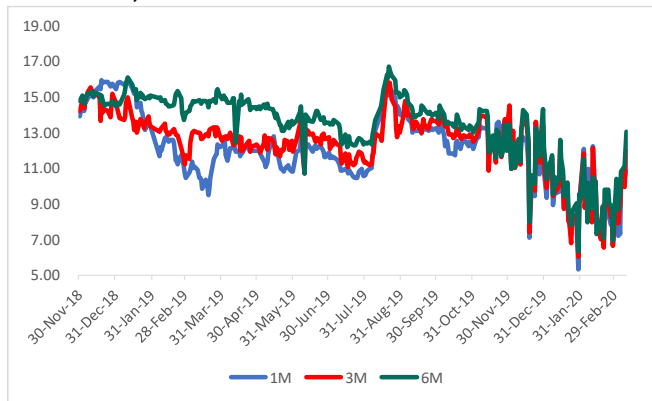
Source: Anchoria AM Research, FMDQ OTC

### Corporate Eurobond



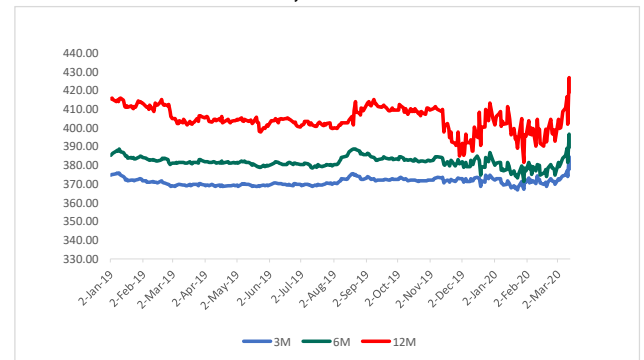
Source: Anchoria AM Research, FMDQ OTC

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



Source: Anchoria AM Research, FMDQ OTC

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



Source: Anchoria AM Research, FMDQ OTC

Treasury Bills Result 01 April 2020			
	91 day	182 day	364 day
Offer Amount (N'bn)	10.00	17.60	68.08
Total Subscription (N'bn)	20.71	28.82	11.86
Allotment (N'bn)	10.00	17.60	68.08
Subscription Rate	2.07	1.64	0.17
Current Stop Rates (%):	2.20%	3.20%	4.30%
Previous Stop Rates	2.60%	3.40%	4.60%

Anchoria Mutual Fund Price as at 06th April 2020 (Year-To-Date Return/Yield)			
	Bid Price	Offer Price	Total Return/Yield
Anchoria Money Market Fund	100.00	100.00	6.75% / annum
Anchoria Fixed Income Fund	1.14	1.14	
Anchoria Equity Fund	80.97	81.23	

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