

**News Update:**

The Federal Government of Nigeria on December 28, 2018, issued a 7-year N100 billion Sovereign Sukuk (15.743% N100BN Al Ijarah Sukuk due 2025) as part of the New Domestic Borrowing in the 2018 Budget to finance road projects. The Offer attracted significant interest from a wide range of retail and institutional investors with a Total Subscription of N132.20 billion, which represents a Subscription Rate of 132.2%. Retail Investors accounted for 17.33% of the Total Allotment compared to 4% recorded in the debut Issuance .

[DMO](#)
**ECONOMIC INDICATORS**

Inflation (YoY)	11.28%	↑
Exchange Rate (\$)	₦306.90	↔
MPR	14.00%	↔
Foreign Reserves	\$43.05Bn	↑
Brent Crude	\$61.12pb	↑

**Fixed Income | Money Market | FX**
**Commentary**

The Bond market traded on a relatively quiet note, with yields relatively unchanged on the day. *We have however begun to see better sellers across the curve and we expect yields to resume an uptrend shortly as market players anticipate release of the Q1 FGN Bond calendar by the DMO.*

The T-bills market traded on a slightly bearish note, with yields marginally higher on the back of the c.N343bn OMO sale by the CBN which mopped up most of the c.N375bn OMO maturities. The most selloffs were on the Shorter end of the curve (Jan – Mar), while yields inched higher on the longer end in response to the new 364-day OMO offering. *We expect yields to remain elevated as the current tight system liquidity levels are expected to constrain buying interests in the market, whilst a further OMO auction would cause yields to trend higher.*

Rates in the money market declined marginally by c.3pct, with the OBB and OVN rates closing the day at 22.67% and 24.67%, as the c.N375bn inflows from OMO T-bills maturities were mopped up by a c.N343bn OMO sale by the CBN. System liquidity consequently improved marginally to c.N66bn negative. *We expect rates to remain elevated as system liquidity remains in Negative territory, with the possibility for a further OMO sale by the CBN.*

At the Interbank, the Naira/USD rate remained unchanged at N306.90/\$ (spot) and N358.13/\$ (SMIS). The NAFEX rate in the I&E window depreciated by c.0.06% to N365.12/\$ from N364.90/\$ previously. At the parallel market, the cash rate depreciated by c.0.14% to N361.00/\$ while the transfer rate remained unchanged N365.00/\$.

**Money Market Rates**

	Current (%)	Previous (%)
Open Buy Back (OBB)	22.67	26.67
Overnight (O/N)	24.67	27.67

**FX Market**

	Current (₦/\$)	Previous (₦/\$)
CBN Spot	306.90	306.90
CBN SMIS	358.31	358.31
I&E FX Window	365.12	364.90
Cash Market	361.00	360.50
Transfer Market	365.00	365.00

**FGN Bonds**

Description	Bid (%)	Offer (%)	Day Change (%)
15.54 13-Feb-20	14.98	14.78	(0.05)
14.50 15-Jul-21	15.52	15.27	0.01
16.39 27-Jan-22	15.09	14.89	0.00
14.20 14-Mar-24	15.10	14.87	0.00
12.50 22-Jan-26	15.60	15.49	0.03
16.29 17-Mar-27	15.44	15.39	(0.06)
13.98 23-Feb-28	15.53	15.45	0.00
12.15 18-Jul-34	15.49	15.37	(0.01)
12.40 18-Mar-36	15.50	15.31	(0.03)
16.2499 18-Apr-37	15.39	15.30	(0.01)

**Treasury Bills**

Description	Bid (%)	Offer (%)	Day Change (%)
14-Feb-19	15.00	14.00	(0.50)
14-Mar-19	15.00	14.00	0.00
4-Apr-19	14.00	12.80	0.50
2-May-19	14.30	13.20	0.55
13-Jun-19	13.60	13.30	(0.05)
18-Jul-19	14.00	13.30	0.35
1-Aug-19	14.00	13.65	0.10
12-Sep-19	15.00	14.70	0.05
3-Oct-19	15.05	14.80	0.10
14-Nov-19	14.95	14.70	0.00
5-Dec-19	15.10	14.85	0.10

**Primary Market Auction Results**
**NTB - 2 January 2019**

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sale (₦'bn)
91-days	10.90	10.00	20.16	10.00
182-days	13.10	20.00	24.51	20.00
364-days	14.50	44.84	69.72	44.84

**FGN Bonds - 19 December 2018**

Maturity	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sale (₦'bn)
Apr-23	15.25	20.00	3.25	1.05
Mar-25	15.50	15.00	7.81	3.41
Feb-28	15.50	35.00	83.06	1.29

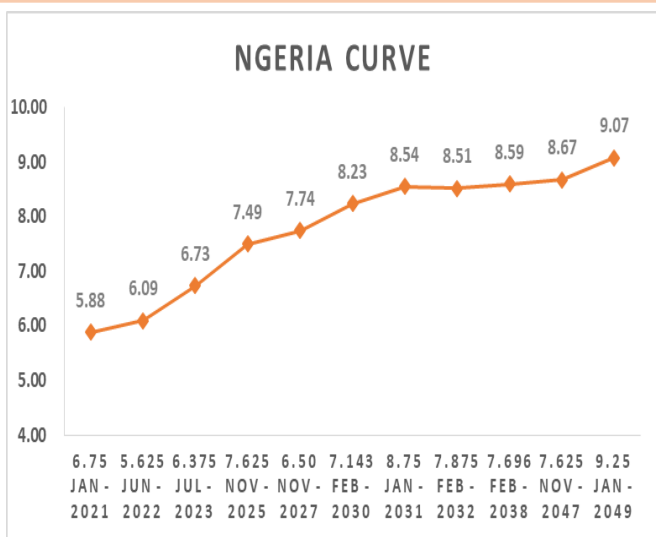
**OMO - 8 January 2018**

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sale (₦'bn)
91-day	11.90	50.00	1.19	1.19
189-day	13.50	100.00	12.68	12.68
364-day	15.00	250.00	283.62	329.32

## Eurobonds

The **NGERIA Sovereigns** were relatively flat in today's session, with yields inching higher by 3bps following slight sell on the longer end of the curve.

The **NGERIA Corps** were relatively quiet except for slight interests on the Access and FBNNL 21s.



### NIGERIAN SOVEREIGNS

Description	Bid (%)	Offer (%)	Change (%)
6.75 Jan - 2021	5.88	5.62	<b>0.02</b>
5.625 Jun - 2022	6.09	5.99	<b>0.00</b>
6.375 Jul - 2023	6.73	6.56	<b>0.03</b>
7.625 Nov - 2025	7.49	7.36	<b>0.02</b>
6.50 Nov - 2027	7.74	7.66	<b>0.01</b>
7.143 Feb - 2030	8.23	8.07	<b>0.03</b>
7.143 Feb - 2031	8.54	8.44	<b>0.03</b>
8.75 Jan - 2032	8.51	8.43	<b>0.03</b>
7.696 Feb - 2038	8.59	8.52	<b>0.07</b>
7.625 Nov - 2047	8.67	8.60	<b>0.05</b>
9.25 Jan - 2049	9.07	9.02	<b>0.06</b>

### NIGERIAN CORPORATES

Description	Bid (%)	Offer (%)	Change (%)
6.25 ZENITH 2019	6.16	4.33	<b>(0.01)</b>
8.75 DIAMBK 2019	14.88	11.91	<b>0.13</b>
9.25 ACCESS 2021	9.95	9.49	<b>(0.05)</b>
8.00 FBNNL 2021	8.91	8.57	<b>(0.03)</b>
8.75 ECOTRA 2021	9.55	9.11	<b>(0.03)</b>
10.50 ACCESS 2021	7.44	7.25	<b>(0.01)</b>
7.375 Zenith 2022	7.12	6.87	<b>0.00</b>
7.75 UBANL 2022	7.58	7.32	<b>0.00</b>
10.5 FIDBAN 2022	10.45	10.21	<b>0.00</b>
9.25 SEPLLN 2023	9.46	9.17	<b>0.00</b>

Sources: FMDQ, CBN, Bloomberg, Rexel BDC, Zedcrest research

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