

**News Update:**

The CBN in collaboration with the NJI on Monday organized the first national workshop for judicial officers on Secured Transactions in Movable Assets Act (STMA) and National Collateral Registry (NCR) themed "Leveraging Movable Assets for Credit Delivery in Nigeria; Legal and Regulatory Framework. With the NCR, the CBN has a database of MSMEs and their movable assets like vehicles, jewellery, sewing machines, motorcycles, and others, with which establishments like Bank of Agriculture have found safe and secure to offer loans to them for start-up vocations or expand existing ones.

[The Sun](#)
**ECONOMIC INDICATORS**

Inflation (YoY)	11.44%	↑
Exchange Rate (\$)	₦306.70	↔
MPR	14.00%	↔
Foreign Reserves	\$42.95Bn	↓
Brent Crude	\$61.32pb	↓

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

The Bond market opened the week on a quieter note, with yields trending lower by c.4bps due to continued buying interests witnessed on the mid to long end of the curve at the start of the session. We however witnessed slight profit taking on the 2028s which was sold back to 14.81% having reached a low of 14.71% in the early hours of trading. *Whilst we expect improved results from the Q4 2018 GDP figures to be released tomorrow and inflows from bond coupon payments of c.N47bn on Wednesday, we expect that market players would continue to trade cautiously in light of the uncertainties around the forthcoming elections.*

The T-bills market turned slightly bearish as market players reacted to the liquidity squeeze from the OMO and wholesale FX sale by the CBN today. Yields consequently trended higher by c.5bps on the day, following slight selloff on the short end of the curve. Despite the system illiquidity, client demand remained strong for the 360-day OMO bill offered by the CBN, which recorded a total sale of c.N35bn of the 10bn offered on the Tenor. *We expect the T-bill rates to remain elevated due to the liquidity squeeze in the money market, whilst a further OMO auction by the CBN will likely force rates higher.*

Rates in the money market spiked significantly as system liquidity which opened the session in negative territory of c.N127bn negative was further aggravated by the OMO (c.N37bn) and Wholesale FX sales (c.\$210m) by the CBN. The OBB and OVN rates consequently ended the session at an YTD high of 43.33% and 47.50% respectively, as banks were not able to access the CBN's SLF to fund their deficits. *We expect rates to trend lower tomorrow, as banks would be able to access the CBN's SLF window to fund their obligations at cheaper rates.*

At the Interbank, the Naira/USD rate remained unchanged at N306.70/\$ (spot) and N357.10/\$ (SMIS). The NAFEX rate in the I&E window depreciated further by c.0.06% to N361.95/\$, whilst the cash and transfer rates at the parallel market remained unchanged at N359.00/\$ and N365.00/\$ respectively.

**Money Market Rates**

	Current (%)	Previous (%)
Open Buy Back (OBB)	43.33	18.67
Overnight (O/N)	47.50	19.42

**FX Market**

	Current (₦/\$)	Previous (₦/\$)
CBN Spot	306.70	306.70
CBN SMIS	357.10	357.10
I&E FX Window	361.95	361.73
Cash Market	359.00	359.20
Transfer Market	365.00	365.00

**FGN Bonds**

Description	Bid (%)	Offer (%)	Day Change (%)
15.54 13-Feb-20	14.98	14.16	(0.06)
14.50 15-Jul-21	14.99	14.58	0.00
16.39 27-Jan-22	14.87	14.33	(0.02)
14.20 14-Mar-24	14.59	14.19	0.03
12.50 22-Jan-26	14.73	14.55	(0.01)
16.29 17-Mar-27	14.75	14.58	(0.02)
13.98 23-Feb-28	14.82	14.77	(0.11)
12.15 18-Jul-34	14.65	14.53	(0.04)
12.40 18-Mar-36	14.68	14.59	(0.06)
16.2499 18-Apr-37	14.51	14.39	(0.06)

**Treasury Bills**

Description	Bid (%)	Offer (%)	Day Change (%)
14-Mar-19	12.00	11.50	(0.50)
4-Apr-19	12.00	10.00	(0.50)
2-May-19	11.35	11.10	0.10
13-Jun-19	11.50	10.00	0.00
18-Jul-19	13.00	11.85	0.05
1-Aug-19	12.95	12.75	0.00
12-Sep-19	14.50	14.30	0.00
3-Oct-19	14.80	14.50	0.00
14-Nov-19	14.90	14.85	(0.05)
5-Dec-19	14.95	14.80	0.05
2-Jan-20	14.95	14.80	(0.05)
6-Feb-20	15.00	14.90	0.00

**Primary Market Auction Results**
**NTB - 30 January 2019**

Tenor	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sale (₦'bn)
91-days	11.00	7.85	41.05	28.02
182-days	13.50	69.57	68.42	58.68
364-days	15.00	177.22	214.38	167.93

**FGN Bonds - 30 January 2019**

Maturity	Rate (%)	Offer (₦'bn)	Sub (₦'bn)	Sale (₦'bn)
Apr-23	15.20	50.00	16.57	5.85
Mar-25	15.25	50.00	31.25	20.10
Feb-28	15.35	50.00	149.27	91.04

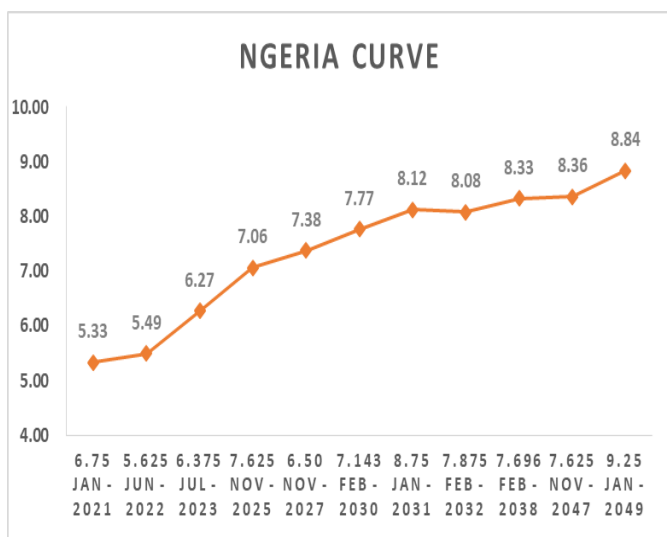
**OMO - 11 February 2019**

Tenor	Rate (%)	Offer (N'bn)	Sub (N'bn)	Sale (N'bn)
94 day	11.90	5.00	2.41	2.41
178 day	13.50	10.00	1.08	1.08
360 day	15.00	10.00	34.78	34.78

## Eurobonds

The **NGERIA Sovereigns** remained slightly bearish in today's session, with yields rising further by c.6bps as a slightly stronger US dollar, lower oil price, and renewed trade uncertainties continue to place a dent on the recent EM resurgence.

In the **NGERIA Corps**, yields were relatively flat across board, with investors maintaining a slightly bearish bias on the DIAMBK 19s and UBANL 22s.



### NIGERIAN SOVEREIGNS

Description	Bid (%)	Offer (%)	Change (%)
6.75 Jan - 2021	5.33	5.07	0.05
5.625 Jun - 2022	5.59	5.49	0.10
6.375 Jul - 2023	6.27	6.11	0.09
7.625 Nov - 2025	7.06	6.93	0.05
6.50 Nov - 2027	7.38	7.30	0.08
7.143 Feb - 2030	7.77	7.64	0.05
7.143 Feb - 2031	8.12	8.02	0.07
8.75 Jan - 2032	8.08	8.00	0.07
7.696 Feb - 2038	8.33	8.26	0.08
7.625 Nov - 2047	8.36	8.30	0.06
9.25 Jan - 2049	8.84	8.79	0.07

### NIGERIAN CORPORATES

Description	Bid (%)	Offer (%)	Change (%)
6.25 ZENITH 2019	6.13	3.56	0.00
8.75 DIAMBK 2019	15.14	11.36	0.06
9.25 ACCESS 2021	9.93	9.45	0.01
8.00 FBNNL 2021	8.83	8.48	0.00
8.75 ECOTRA 2021	9.53	9.08	0.00
10.50 ACCESS 2021	7.06	6.87	(0.01)
7.375 Zenith 2022	6.56	6.30	0.00
7.75 UBANL 2022	7.23	6.97	0.09
10.5 FIDBAN 2022	9.89	9.62	0.02
9.25 SEPLLN 2023	8.66	8.37	0.00

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

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