

News Update:

The African Development Bank Group said it is projecting a growth of 4 per cent this year and 4.1 per cent in 2020. This is even as the President of the bank, Akinwumi Adesina, has assured the future of the continent remained bright. Adesina referred to the bank's recent flagship publication, the African Economic Outlook 2019 which noted that the recovery in commodity prices is driving domestic demand and infrastructure investment, while real Africa's GDP continued to improve in 2018 to 4.1 per cent.

[The Sun](#)
ECONOMIC INDICATORS

Inflation (YoY)	11.44%	↑
Exchange Rate (\$)	₦306.70	↔
MPR	14.00%	↔
Foreign Reserves	\$42.97Bn	↓
Brent Crude	\$61.57pb	↓

Fixed Income | Money Market | FX
Commentary

The Bond market remained significantly bullish with yields compressing further by c.11bps as market players continued to aggress offers on the mid to long end of the curve. The buying interests are mostly linked to some offshore interests, but some panic buying by locals have also accentuated the rate of decline in yields which have now compressed by c.20bps w/w. *In the coming week, the NBS is expected to release data for Q4 2018 GDP and Jan 2019 inflation. Whilst we expect the economic releases to show slightly improved figures from previous levels, we expect investment appetite to be slightly subdued as market players are expected to trade cautiously in view of the elections scheduled to hold next weekend.*

The T-bills market turned slightly bullish with market players cherry-picking on attractive yields around the mid tenors, in absence of an OMO auction by the CBN. Yields were consequently lower by c.15bps on the day. *In the coming week we expect yields to trend slightly higher as the CBN is expected to sustain its spate of OMO and FX interventions in the market.*

Rates in the money market remained elevated on the back of the significant OMO mop up in the previous session. The OBB and OVN rates consequently ended the session slightly higher at 18.67% and 19.42% respectively. *We expect rates to trend higher opening next week, as the CBN is expected to resume its week wholesale FX intervention amid an already tightened system liquidity environment.*

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 marginally by c.0.02% to N361.73/\$, whilst the cash and transfer rates at the parallel market remained unchanged at N359.20/\$ and N365.00/\$ respectively.

Money Market Rates

	Current (%)	Previous (%)
Open Buy Back (OBB)	18.67	17.33
Overnight (O/N)	19.42	18.42

FX Market

	Current (₦/\$)	Previous (₦/\$)
CBN Spot	306.70	306.70
CBN SMIS	357.10	357.10
I&E FX Window	361.73	361.64
Cash Market	359.20	359.20
Transfer Market	365.00	365.00

FGN Bonds

Description	Bid (%)	Offer (%)	Day Change (%)
15.54 13-Feb-20	15.04	14.16	0.00
14.50 15-Jul-21	14.99	14.58	(0.05)
16.39 27-Jan-22	14.89	14.33	0.01
14.20 14-Mar-24	14.56	14.19	(0.15)
12.50 22-Jan-26	14.74	14.61	(0.11)
16.29 17-Mar-27	14.77	14.58	(0.16)
13.98 23-Feb-28	14.93	14.71	(0.08)
12.15 18-Jul-34	14.69	14.50	(0.23)
12.40 18-Mar-36	14.74	14.55	(0.11)
16.2499 18-Apr-37	14.57	14.37	(0.25)

Treasury Bills

Description	Bid (%)	Offer (%)	Day Change (%)
14-Mar-19	12.50	10.00	(1.00)
4-Apr-19	12.50	10.00	0.50
2-May-19	11.25	11.10	0.10
13-Jun-19	11.50	10.00	(1.45)
18-Jul-19	12.95	11.75	(0.80)
1-Aug-19	12.95	12.75	(0.35)
12-Sep-19	14.50	14.30	(0.25)
3-Oct-19	14.80	14.50	(0.10)
14-Nov-19	14.95	14.80	0.00
5-Dec-19	14.90	14.80	(0.10)
2-Jan-20	15.00	14.75	0.00
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

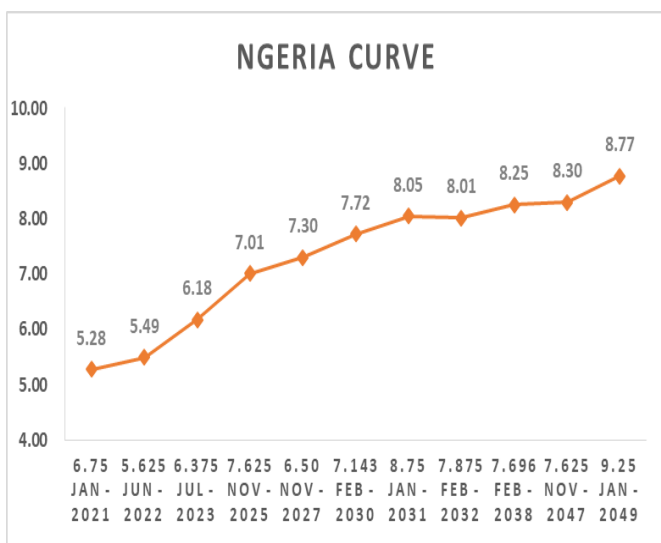
OMO - 7 February 2019

Tenor	Rate (%)	Offer (N'bn)	Sub (N'bn)	Sale (N'bn)
119 day	11.90	30.00	39.90	39.90
182 day	13.50	70.00	10.59	10.59
364 day	15.00	150.00	270.48	270.48

Eurobonds

The **NGERIA Sovereigns** retreated further in today's session, with yields trending higher by c.9bps as news of a slowdown in the US-China trade negotiations weighed on risk sentiments in the market.

In the **NGERIA Corps**, yields were relatively flat across board, we however witnessed slight sell interests on the UBANL and FIDBAN 22s, whilst investors were better buyers of the 2021 maturities.



NIGERIAN SOVEREIGNS

Description	Bid (%)	Offer (%)	Change (%)
6.75 Jan - 2021	5.28	5.02	0.05
5.625 Jun - 2022	5.49	5.39	0.00
6.375 Jul - 2023	6.18	6.01	0.16
7.625 Nov - 2025	7.01	6.88	0.17
6.50 Nov - 2027	7.30	7.22	0.08
7.143 Feb - 2030	7.72	7.59	0.08
7.143 Feb - 2031	8.05	7.96	0.07
8.75 Jan - 2032	8.01	7.93	0.09
7.696 Feb - 2038	8.25	8.19	0.10
7.625 Nov - 2047	8.30	8.24	0.10
9.25 Jan - 2049	8.77	8.72	0.11

NIGERIAN CORPORATES

Description	Bid (%)	Offer (%)	Change (%)
6.25 ZENITH 2019	6.13	3.63	0.00
8.75 DIAMBK 2019	15.08	11.34	0.99
9.25 ACCESS 2021	9.92	9.44	(0.04)
8.00 FBNNL 2021	8.83	8.48	(0.03)
8.75 ECOTRA 2021	9.53	9.08	(0.03)
10.50 ACCESS 2021	7.07	6.87	0.00
7.375 Zenith 2022	6.56	6.31	0.00
7.75 UBANL 2022	7.14	6.89	0.04
10.5 FIDBAN 2022	9.87	9.63	0.04
9.25 SEPLLN 2023	8.66	8.37	0.00

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

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