

## Nigeria Global Markets Update

### Money markets

The overnight and OBB rates closed the week at 3.75% and 3.00% – marginally down from the previous day's close of 4.67% and 4.08% respectively, as money market liquidity remained buoyant. Money market rates are expected to open the week around prevailing levels.

### Interbank spot: USD/NGN

The CBN remains the primary supplier in the NiFEX market, with its periodic Wholesale and Retail Secondary Market Intervention Sales (SMIS) programme. Turnover in the NAFEX window declined to close the week at US\$223.78m compared to the previous day's US\$134.62m. The exchange rate has stayed stable on the back of sustained interest in the local fixed income and equity capital markets. We expect USD/NGN to trade rangebound between 360 and 362 in the short to medium term.

Offer rates	19-Apr	20-Apr	Change
NiFEX	337.74	337.93	↑ 0.19
NAFEX	360.00	360.08	↑ 0.08

### Commodities

US President Donald Trump slammed OPEC for inflating oil prices after the cartel showed a willingness to further tighten crude markets. The president's ire followed a stream of bullish signals from a meeting of oil-producers in Saudi Arabia, chiefly from the kingdom's Energy Minister Khalid Al-Falih. The crude glut that had weighed on prices for three years has almost been wiped out by OPEC's production cuts, but instead of celebrating victory, the group is finding reasons to keep going and drive fuel inventories even lower.

Brent crude, the international benchmark, fell about 69 cents at the time of the tweet, before trading down 0.8% at US\$73.17/bbl as of 2:31pm in London.

	Current rate (%)		Current
LIBOR 30-day	1.89826	Brent Crude	US\$73.70
NIBOR 30-day	11.3107	NAFEX (offer rate)	361.50
NIBOR 90-day	12.5718	Reserves (as at 16 Apr 2018)	US\$47.009bn

### RMB Nigeria indicative term deposit rates<sup>1</sup>

NGN	CALL	1-m	2-m	3-m	6-m	12-m
50,000,000	3.00%	12.00%	12.5%	13.00%	13.00%	13.00%
USD <sup>1</sup>	CALL	1-m	2-m	3-m	6-m	12-m
5,000,000	0.50%	1.50%	2.00%	2.50%	3.00%	3.25%

Note: 1. Indicative rates are gross of withholding tax (10%)

RMB Nigeria Note: The deposit placement is subject to the completion of on-boarding forms (KYC) for RMB Nigeria, a compliance requirement from the Central Bank of Nigeria. Currencies available on request: ZAR/EUR/GBP.

International rating – RMB Nigeria is a wholly owned subsidiary of the FirstRand Bank [BB+ /Baa3] S&P and Moody's respectively.

23 April 2018

International oil prices surged to almost US\$75 a barrel this week, while US gasoline is its highest in almost three years. (Bloomberg)

### Fixed income

The fixed income market ended the week on a mixed note after days of rallying.

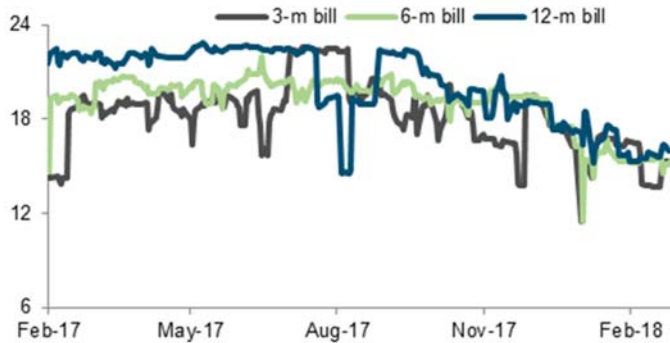
The short end of the curve traded sideways and yields remained unchanged from the previous day.

Yields sold off on the mid- to long-tenored bonds as a result of profit-taking by market-participants after the week-long rally.

T-bill yields should trend higher this week, as buying interest slows down and we begin to see investors taking profit. Bond yields are also expected to sell off on account of profit-taking.

Tenor	19-Apr	20-Apr	Change (bp)
91-day	10.46	10.46	→ -
182-day	11.46	11.46	→ -
364-day	14.79	14.79	→ -
Jun-19	10.73	10.70	↓ (0.03)
Feb-20	11.58	11.28	↓ (0.30)
Jul-21	12.69	12.56	↓ (0.13)
Jan-22	12.34	12.14	↓ (0.20)
Mar-24	12.70	12.91	↑ 0.21
Jan-26	12.86	12.95	↑ 0.09
Mar-27	12.92	12.94	↑ 0.02
Jul-34	12.92	13.02	↑ 0.10
Mar-36	12.95	12.89	↓ (0.06)
Apr-37	12.93	12.80	↓ (0.13)

Treasury bills



Source: Reuters

Benchmark bonds



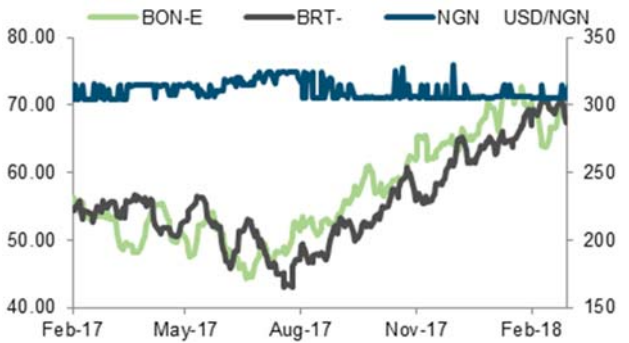
Source: Reuters

NIBOR



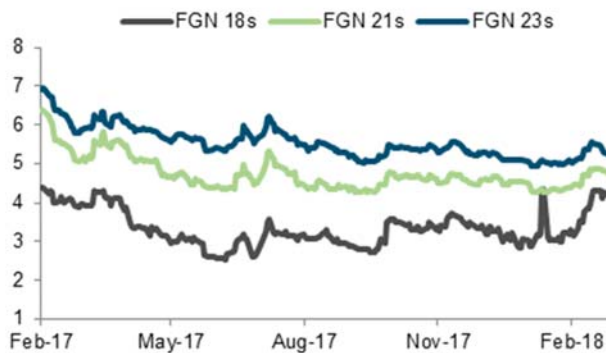
Source: Reuters

Oil prices and FX



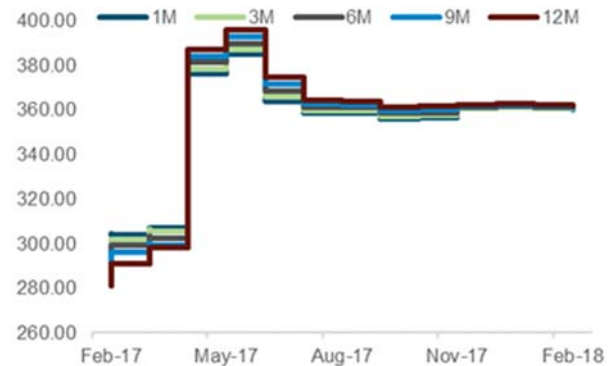
Source: Reuters

FGN Eurobonds



Source: Reuters

OTC FX futures



Source: FMDQ

Dealing Room: 234 1 463 7990 [Global.Markets@rmb.com.ng](mailto:Global.Markets@rmb.com.ng)  
Global Markets:

Nadia Zakari +234 1 463 7940 [nadia.zakari@rmb.com.ng](mailto:nadia.zakari@rmb.com.ng) Ayodeji Oyeniyi +234 1 463 7943 [ayodeji.oyeniyi@rmb.com.ng](mailto:ayodeji.oyeniyi@rmb.com.ng) Chinonye Amadi +234 1 4637924 [nonye.amadi@rmb.com.ng](mailto:nonye.amadi@rmb.com.ng)  
Pelumi Olawale +234 1 463 7959 [pelumi.olawale@rmb.com.ng](mailto:pelumi.olawale@rmb.com.ng)

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