

Weekly Update on NT-Bills [23.16% up 48bps] and FGN Bond [19.10% up 2bps]

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Sell-Offs Push NT-Bills Average Yield Higher W-o-W to 23.16%

The Nigerian Treasury Bills ("**NT-Bills**") secondary market sustained its bearish position last week as rates repricing, amidst increasing demand for naira assets drove market sentiments. Consequently, the average yield rose **48bps** w-o-w to settle at **23.16%** from **22.68%** recorded in the previous week.

Sell-offs were witnessed across all ends of the curve as average yield expanded by **88bps**, **42bps**, and **3bps** respectively. Specifically, the **26-Dec-24 (+309bps)** and **26-Jun-25 (+133bps)** advanced the most. Furthermore, the **11-Sep-25** and **25-Sep-25** maturities were introduced to the market, enhancing yield at the long end of the curve.

At the Primary Market Auction ("**PMA**") which was held last week Wednesday **09-Oct-24**, the Apex bank offered a total of **₦81.90bn** across the 91-, 182- and 364-Day instruments. Investors' demand for these instruments was significant although skewed to the 364-day instrument, reflected in the total bid-to-cover ratio of **3.3x** (**₦81.90bn** offer vs. **₦273.27bn** subscription). Average stop rates dipped by **5bps** to **18.12%** from 18.17% at the previous auction.

Please see a detailed summary of the NT-Bills PMA result below:

Auction Date	9-Oct-24	9-Oct-24	9-Oct-24
Allotment Date	10-Oct-24	10-Oct-24	10-Oct-24
Tenor	(91-Day)	(182-Day)	(364-Day)
Offer (₦)	28,474,098,000	22,674,139,000	30,756,393,000
Subscription (₦)	16,271,144,000	5,323,913,000	251,683,435,000
Allotment (₦)	12,959,619,000	3,914,138,000	65,030,873,000
Range of Bid Rates (%)	16.4500 – 20.0000	17.0000 – 21.0000	18.5000 - 25.0000
Stop Rates (%)	17.00	17.50	19.86
Previous Stop Rates (%)	17.00	17.50	20.00
Subscription Ratio	0.6x	0.2x	8.2x

This week, we expect bearish sentiment to persist in the market, as expected depressed system liquidity (due to the absence of significant liquidity inflow) will continue to push yield higher. **Thus, we advise investors to look out for**

relatively attractive bills across the curve, as well as possible commercial paper offerings.

Please see indicative secondary market NT-Bills rates below:

Maturity	Tenor (Days)	Net Rate (%) p.a.	Yield (%) p.a.
21-Nov-24	38	17.70	18.03
5-Dec-24	52	17.80	18.26
23-Jan-25	101	17.85	18.78
20-Feb-25	129	17.70	18.88
27-Mar-25	164	18.10	19.70
10-Apr-25	178	17.85	19.55
22-May-25	220	18.45	20.76
5-Jun-25	234	18.35	20.80
10-Jul-25	269	17.50	20.09
21-Aug-25	311	16.40	19.06
25-Sep-25	346	15.95	18.79
9-Oct-25	360	16.25	19.35

Rates are valid till 2:00pm today (14-Oct-24)
****Please note that the minimum subscription for NT-Bills is ₦100,000.00***

FGN Bond Update: Average Yield Expands 2bps W-o-W to 19.10%

The domestic bond secondary market traded on a tepid sentiment last week as activities were relatively muted in anticipation of the release of the Q4, 2024 FGN Bond Auction calendar by the Debt Management Office(“**DMO**”). Consequently, the average yield rose marginally by **2bps** w-o-w to **19.10%** from 19.08% recorded in the previous week.

In detail, yields on the short and long ends of the curve remained unchanged due to minimal trading activities while selloffs in **FEB-2031(+20bps)** and **JUL-2030(+14bps)** drove yield upwards at the mid-end of the curve(+6bps).

Going into the week, we expect the recent release of the Q4-24 Bond calendar by the **DMO** and the expected September 2024 inflation report by the Nation Bureau of Statistics (“**NBS**”) to further drive market sentiment and thus influence yield outcome. **Investors are advised to cherry-pick attractive yields, particularly at the short end of the curve.**

Please see below FGN bond secondary market rates:

Maturity	Tenor (Years)	Yield (%)	Coupon (%)	Implied Price (N)
Jan-26	1.3	18.80	12.50	94.21
Mar-27	2.4	17.80	16.29	89.88
Feb-28	3.4	18.30	13.98	95.04
May-33	8.6	20.68	19.89	86.57
Jul-34	9.8	17.45	12.15	83.93
Mar-36	11.4	17.80	12.40	71.42
Apr-37	12.5	17.80	16.25	73.95
Jan-42	17.3	16.70	13.00	97.66
Jun-53	28.7	16.80	15.70	78.71

Rates are valid till 2:00pm today (14-Oct -24)
****Please note that the minimum subscription for FGN Bond is N20,000,000.00***

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Best regards,

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