

**News Update:**

The nation's debt-service-to-revenue ratio has recorded a new decline from about 66 per cent to 45 per cent, courtesy of the improving revenue mobilisation from both domestic and foreign sources. The Minister of Finance, Mrs. Kemi Adeosun, who admitted in an e-mail response to questions to The Guardian, that the achieved 45 per cent debt-service-to-revenue ratio is still too high, but not like when it is above 60 per cent, assured of continued improvement from now onward as revenue initiatives begin to deliver more.

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

Inflation (YoY)	15.91%	↓
Exchange Rate (\$)	N307.00	↑
MPR	14.00%	↔
Foreign Reserves	\$34.82Bn	↑
Brent Crude	\$62.89	↓

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

The bond market was scantily traded today, but with mixed sentiments, as slight sell on some short tenured bonds (19s - 24s) were offset by some buys on some longer tenured maturities (27s - 37s) later in the day. Average bond yields consequently stayed flat at 14.71%. We expect some client demand to flow into the bond space tomorrow.

The T-bills market was slightly bullish, with demand witnessed on some medium tenured bills (May/June), as the CBN suspended its regular OMO interventions today. Average T-bills yields consequently declined by 12bps. We expect the market to remain slightly bullish tomorrow, as market players closely watch the monetary policy actions of the CBN.

System Liquidity is estimated to decline further to c.N250bn short due to the FX interventions by the CBN estimated at c.\$210million. The OBB and OVN rates however declined slightly to 21.50% and 23.33% as the CBN did not hold an OMO auction, contrary to expectations in the market. We expect rates to be largely driven by the CBN's liquidity management actions in the near term.

**Money Market Rates**

	Current (%)	Previous (%)
Open Buy Back (OBB)	21.50	25.83
Overnight (O/N)	23.33	29.08

**FX Market**

	Current (N/\$)	Previous ( N/\$)
CBN Spot	307.00	306.00
CBN SMIS	330.00	330.00
I&E FX Window	360.32	360.65
Parallel Market	361.50	361.30

**Primary Market Auction Results**
**NTB - 29 November 2017**

Tenor	Rate (%)	Offer (N'bn)	Sub (N'bn)	Sale (N'bn)
91 days	12.95	26.14	7.89	7.89
182 days	15.00	11.00	6.21	6.21
364 days	15.57	80.03	119.69	103.07

**FGN Bonds - 22 November 2017**

Tenor	Rate (%)	Offer (N'bn)	Sub (N'bn)	Sale (N'bn)
Jul - 21	14.79	50.00	23.00	14.60
Mar - 27	14.80	50.00	82.39	73.17

**OMO - 30 November 2017**

Tenor	Rate (%)	Offer (NBn)	Sub (N'bn)	Sale (N'bn)
91 day	NIL	50.00	2.08	No Sale
189 day	NIL	150.00	59.72	No Sale

**FGN Bonds**

Description	Bid (%)	Offer (%)	Day Change (%)
16.00 29-Jun-19	14.98	14.91	0.11
15.54 13-Feb-20	14.89	14.82	0.13
14.50 15-Jul-21	14.94	14.87	0.03
16.39 27-Jan-22	14.41	14.34	(0.05)
14.20 14-Mar-24	14.81	14.74	(0.01)
12.50 22-Jan-26	14.84	14.77	0.01
16.29 17-Mar-27	14.85	14.78	(0.03)
12.15 18-Jul-34	14.46	14.39	(0.08)
12.40 18-Mar-36	14.40	14.33	(0.10)
16.25 18-Apr-37	14.55	14.48	(0.01)

**Treasury Bills**

Description	Bid (%)	Offer (%)	Day Change (%)
4-Jan-18	16.50	16.25	(0.15)
1-Feb-18	17.50	17.25	0.00
1-Mar-18	15.40	15.15	0.00
5-Apr-18	16.80	16.55	(0.10)
3-May-18	17.00	16.75	(0.55)
14-Jun-18	17.00	16.75	(0.40)
5-Jul-18	17.30	17.05	(0.15)
2-Aug-18	16.75	16.50	0.00
20-Sep-18	15.30	15.05	0.00
4-Oct-18	15.25	15.00	0.00
1-Nov-18	15.60	15.35	0.00

**Eurobonds**

Issuer	Description	Yield (%)	Day Change (%)
FGN	6.38 12-Jul-23	5.30	0.04
FGN	7.875 16-Feb-32	6.70	0.02
First Bank	8.00 23-Jul-21	9.61	0.32
Eco bank	8.75 14-Aug-21	10.56	0.44
Access Bank	10.50 19-Oct-21	6.77	(0.07)
Zenith Bank	7.375 30-May-22	6.41	(0.02)
UBA	7.75 8-Jun-22	7.11	(0.01)

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

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