

MACRO ECONOMIC INDICES	
Inflation	12.20%
MPR	13.50%
Brent Crude	\$22bp
External Reserves	\$35.71bn
Foreign Exchange	N361.00

FOREIGN EXCHANGE		
Tenor	Current Rate (\$/N)	Previous Rate (\$/N)
CBN Official	361	361
CBN SMIS Window	358.51	358.51
I&E FX Window	392.18	380.25
Parallel Market (transfer)	N415.00	N415.00
Cash	N400.00	N400.00

DROP IN NIGERIA FOREIGN RESERVES.

The travel restrictions and other measures being implemented around the world in order to curb the Coronavirus pandemic has led to the shutdown of the global economy.

The Sub-Saharan region in Africa is not immune from the economic shock caused by the coronavirus outbreak. The oil exporters from the sub-region have been seriously hit hard by the crash in crude oil prices which is compounded by drop in demand due to a series of lockdowns and restrictions being carried out globally. The crash in crude oil prices has made the already fragile Nigeria's economy vulnerable to recession. This is because about 60% of the Federal Government's revenue and 90% of their export revenue comes from oil.

Following a significant drop in the country's foreign exchange earnings and huge import demand, the Naira will continue to come under pressure to depreciate further as Nigeria's foreign reserves continue to decline rapidly

NEWS HIGHLIGHT

OIL PRICE PLUNGES TO \$22, LOWEST IN 18 YEARS

The international oil benchmark, Brent crude, plunged to its cheapest in 18 years on Monday as it traded around \$22 per barrel. This comes amid growing fears that the global coronavirus shutdown could last months and demand for fuel could decline further.

Brent crude, against which Nigeria's oil is priced, fell by \$2.83 to \$22.10 per barrel as of 5:05pm Nigerian time on Monday. It earlier tumbled to as low as \$21.76 per barrel, its lowest since March 2002, according to Reuters.

OIL DEMAND COULD DECLINE BY 20 MILLION BARRELS A DAY IN APRIL, SAYS OIL EXPERT DAN YERGIN

The oil market is facing a “double crisis” with a collapse in the OPEC+ alliance affecting supply and the slowdown in the global economy crushing demand, oil guru Dan Yergin said this week. “The breakdown of OPEC+ is only part of the picture,” the vice chairman of IHS Markit told CNBC’s “Capital Connection” on Monday. “The big thing is the coronavirus and the showdown of much of the world economy.

Infections around the world have now crossed 700,000, according to data compiled by the Johns Hopkins University. Nearly 34,000 people have died from COVID-19.

Countries have implemented travel bans and instituted lockdowns to stem the spread of the virus. Cars not on the road, airplanes not in the air, factories not working, people not going to work,” Yergin said. “We see, in this month of April that’s coming, what could be a 20 million barrel a day decline in oil demand.

“It’s unprecedented. That’s six times larger than the biggest downturn during the financial crisis period (in 2008). World oil demand in 2019 stood at around 99.67 million barrels a day, according to OPEC’s estimate.

AFTER COVID-19 DONATIONS, BANKS COMMENCE STAMP DUTY COLLECTIONS

Days after announcing its donation of over five billion Naira, the equivalent of \$14 million, through its foundation to catalyse a comprehensive pan-African response to the fight against the coronavirus (COVID-19) global pandemic, the United Bank for Africa Plc (UBA) has disclosed that a stamp duty charge will apply on all customers’ Savings account.

According to the Bank, from 1st April 2020, stamp duty charges will apply on all Savings accounts in line with the Central Bank of Nigeria’s (CBN) requirements.

DOLLAR SELLS FOR N412

The dollar exchanged for N412 on Monday at the Bureau De Change segment of the market. This followed a temporary suspension of sale of forex to the Bureau De Change operators in the industry by the Central Bank of Nigeria.

The Association of Bureaux De Change Operators of Nigeria had made a request to the CBN to grant it market holidays, given the ongoing challenges faced in the local and global economies due to the impact of the coronavirus pandemic. The CBN granted the BDCs two weeks market holiday as requested.

CBN SUSPENDS CHEQUE CLEARING FROM TODAY

With effect from today, the Central Bank of Nigeria (CBN) has suspended the clearing of all cheque instruments in the Nigerian clearing system. A circular signed and sent out to all Deposit Money Banks and the Nigeria Internal Settlement System (NIBSS) by the CBN on Monday stated that “no fresh cheque instrument will be allowed to pass through clearing system on March 31, 2020.”

“Only returned cheques would be treated on the said date.” The circular with reference identity REF: BKS/DIR/GEN/CIR/07/002 signed by Sam C Okojere, Director Banking Services Department attributed the decision to “recent developments and in furtherance to the Bank’s efforts to ensure hitch free clearing and settlement activities.”

COVID-19 RATTLES GLOBAL MARKETS

Everyone, institutions and agencies that ordinarily should proffer solution and offer hope on the way out of the deadly coronavirus pandemic, are left with their mouths agape and hands held akimbo, almost totally lost as to what next to do to arrest this ravaging, life-threatening covid-19 pandemic.

The news of covid-19 mayhem dominates every news channel and medium, be it print, electronic or the social media. Almost every world leader in developed and developing countries have shown utmost concern, made varied efforts and as well taken steps to mitigate its impact, but it would appear as though the more steps that are taken to contain it, the more devastating it gets. People have died in their thousands, while no fewer than 500,000 are infested.

PETROL SCARCITY HITS ABUJA, OTHERS OVER LOCKDOWN FEARS

Motorists and other consumers of Premium Motor Spirit (PMS) also called petrol were yesterday faced with long queues, as most fuel stations were lockdown in the Federal Capital Territory (FCT) and other states of the federation.

Coming amid lockdown of major cities, especially Lagos, Ogun and the FCT, most fuel station belonging to the major marketers as well as independent marketers were under lock.

SECURITIES MARKET UPDATE

TREASURY BILLS

Nigerian Treasury Bills market ended session on a positive note today, with average yields declining by 2 bps to 3.68%In the OMO bills market, the average OMO yields declined by 22 bps to 15.33% while the PMA trading session closed on a bullish note owing to liquidity in the banking system and absence of OMO auction which spurred activities. Yields closed at 3.68% as against 3.7% previous week across tradable maturities.

Primary Market Auction result (PMA) as at the last auction 18th March 2020

DISCOUNT RATE

AUCTION DATE	91days	182 days	364 days
18-Mar-2020	2.30%	3.40%	4.60%

OMO Bills

Date	89days	180days	362days
19-Mar -2020	NIL	NIL	NIL

BENCHMARK TRADABLE OMO TREASURY BILLS

Days to maturity	Maturity	Yield (%)
10	2-Apr-20	16.83
52	14-May-20	14.83
73	4-Jun-20	15.06
101	2-Jul-20	15.66
143	13-Aug-20	16.60
164	3-Sep-20	17.01
192	1-Oct-20	17.47
225	3-Nov-20	16.27
253	1-Dec-20	16.91
288	5-Jan-21	17.46
316	2-Feb-21	18.45

FGN BOND MARKET

The FGN bond market saw bullish activities across all trading maturities, players took profit across tradable maturities . The FGN bond market closed on a positive note today, as average yields cleared lower by 3 bps to close at 7.49%. Buying interest was witnessed across short and long tenor bonds with average yields decline by 4bps each.

FGN Bond as at March 25 th 2020	
AUCTION DATE	Rate
April 2023	10%
March 2035	12.50%
April 2050	12.98%

STOCK MARKET

The NSE market declined and closed on a negative note, Market capitalisation dipped to N11.12trillion from N11.39trillion previous day trading session. While the market turnover closed at 134.92million units.

The top gainers were Sterling Bank, Mobil and losers was International breweries, UBA, Access , Zenith , GTB

SOURCE: BLOOMBERG,FMDQ, CBN, NBS , NSE

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Best Regards

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