

October 2024



NIGERIAN TREASURY BILLS

Treasury bills are short-term debt instrument issued by the Central Bank on behalf of the Federal Government to fund short term obligations of government. T-Bill are typically issued for periods ranging from few months to 365 days. Treasury bills rate are fixed for the period of investment and they are considered very safe investment because they are backed by the government, making them a low-risk option for savings or investing.

RISK PROFILE

Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
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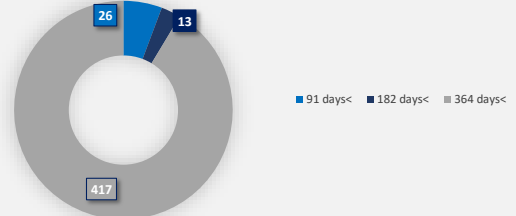
COMMENTARY

Nigerian Treasury Bills, commonly known as T-Bills, are certificates of debt issued by the Nigerian government that have a maturity date of one year or less. Because the lifespan of a T-Bill is so short, they do not incur regular interest payments. Instead, the government sells Treasury Bills at a discount from their face value and pays the full face amount upon maturity.

In October 2024, the CBN conducted two Treasury Bill Primary Market Auctions (PMAs) offering a total of ₦456.57 billion, allotted across the three tenors; 91-Day, 182-Day and 364-Day. A total subscription of ₦763bn was received for the 3 tenors offered but a total of 456.57bn was sold amounting to only a 100% of amount offered. Stop rates at the last auction increased marginally only for the 364-day tenor to 20.65% from 20.00% compared to the previous auction, whilst stop rates remained flat for the 91-day and 182-day bills at 17.00% and 17.50% respectively.

In November 2024, we expect rates to remain elevated underpinned by the aggressive monetary policy stance, rising inflation and Federal Government borrowings. We opine that the impact of these factors will eclipse the expected improved system liquidity from maturities, coupon payments and Federation Account Allocation Committee ("FAAC") inflows expected in the month.

Treasury Bill Supply N'bn

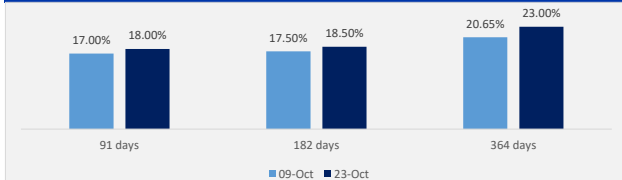


Treasury Bill Auction Detail

Treasury bills Auction Result (23 October 2024)			
Tenor (days)	91	182	364
Offer (NGN'bn)	13.141	11.991	349.537
Sub (NGN'bn)	16.851	12.584	460.404
Bid Range (%)	16.5000 - 18.0000	17.2900 - 20.8400	19.0000 - 23.4300
Previous Stop Rates (%)	17	17.5	19.86
Stop Rate %	17	17.5	20.65
Sale (NGN'bn)	13.141	9.356	352.173

Treasury bills Auction Result (09 October 2024)			
Tenor (days)	91	182	364
Offer (NGN'bn)	28.474	22.674	30.756
Sub (NGN'bn)	16.271	5.323	251.683
Bid Range (%)	16.4500 - 20.0000	17.0000 - 21.0000	18.5000 - 25.0000
Previous Stop Rates (%)	17	17.5	20.00
Stop Rate %	17	17.5	19.86
Sale (NGN'bn)	12.959	3.914	65.030

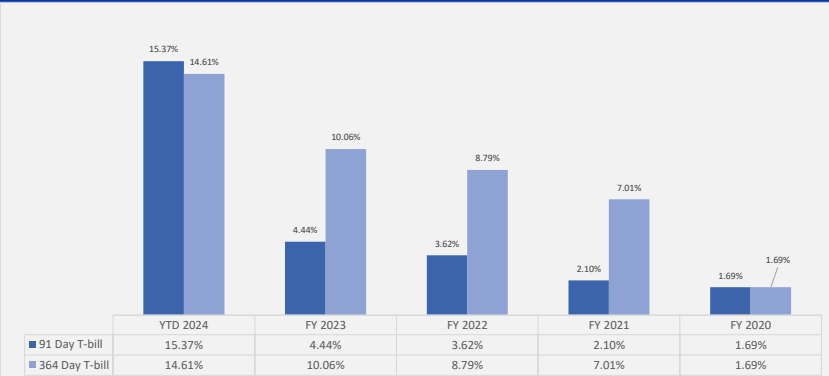
NTB Primary Market Auction Stop Rate



NTB Rate Secondary Market

Maturity	Rate (%)	Maturity	Rate (%)
21-Nov-24 NTB	20.47	22-May-25 NTB	22.79
23-Jan-25 NTB	20.86	05-Jun-25 NTB	22.45
20-Feb-25 NTB	23.38	17-Jun-25 OMO	24.65
27-Mar-25 NTB	23.10	24-Jul-25 NTB	21.27
10-Apr-25 NTB	24.00	21-Aug-25 NTB	20.59

Historical Return



MARKET INDICATORS



Inflation : 32.70%*

Nigeria's inflation rate in the month of September 2024 increased from 32.15% recorded in August 2024 to 32.70%.



FX Reserve : \$39.79bn**

FX reserves were valued at \$39.79bn as at 31st October 2024.



Monetary Policy Rate : 27.25%

The Monetary Policy Committee increased the MPR from 26.75 to 27.25% at the last MPC Meeting which held on September 23 and 24 2024.



GDP: 3.19%*

Nigeria's real GDP grew by 3.19% year on year in Q2 2024.

*National Bureau of Statistics ** CBN

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Past Performance is not an indicator of future performance and individual investors' returns may differ depending on individual investment period.

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