**Discount Rate for October 2022**

This document sets out the specifics of the methodology used for the calculation of the risk-free rate for October. In particular, the table below sets out the Bonds available, their features and what have been included in our calculation.

| **Description** | **Issue Date** | **Coupon (%)** | **Outstanding Value (₦’bn)** | **Maturity Date** | **TTM (Yrs)** | **Yield (%)** | **Closing Price** | **Liquid (mkt trades)** | **Included in Calc** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **12.75 27-APR-2023** | **27-Apr-18** |  **12.75**  |  **735.96**  | **27-Apr-23** |  **0.49**  | **8.60** | **101.94** | **No** | **No** |
| **^14.20 14-MAR-2024** | **14-Mar-14** |  **14.20**  |  **719.99**  | **14-Mar-24** |  **1.37**  | **14.45** | **99.66** | **Yes** | **Yes** |
| **^13.53 23-MAR-2025** | **23-Mar-18** |  **13.53**  |  **562.46**  | **23-Mar-25** |  **2.39**  | **14.42** | **98.21** | **Yes** | **Yes** |
| **^12.50 22-JAN-2026** | **22-Jan-16** |  **12.50**  |  **1,199.74**  | **22-Jan-26** |  **3.23**  | **14.80** | **94.22** | **Yes** | **Yes** |
| **^16.2884 17-MAR-2027** | **17-Mar-17** |  **16.29**  |  **948.84**  | **17-Mar-27** |  **4.38**  | **14.40** | **105.91** | **Yes** | **Yes** |
| **^13.98 23-FEB-2028** | **23-Feb-18** |  **13.98**  |  **955.92**  | **23-Feb-28** |  **5.31**  | **14.40** | **98.42** | **Yes** | **Yes** |
| **15.00 28-NOV-2028** | **28-Nov-08** |  **15.00**  |  **75.00**  | **28-Nov-28** |  **6.08**  | **14.69** | **101.17** | **No** | **No** |
| **^14.55 26-APR-2029** | **26-Apr-19** |  **14.55**  |  **670.52**  | **26-Apr-29** |  **6.49**  | **14.85** | **98.77** | **Yes** | **Yes** |
| **12.49 22-MAY-2029** | **22-May-09** |  **12.49**  |  **150.00**  | **22-May-29** |  **6.56**  | **14.85** | **90.31** | **No** | **No** |
| **8.50 20-NOV-2029** | **20-Nov-09** |  **8.50**  |  **200.00**  | **20-Nov-29** |  **7.06**  | **14.83** | **72.87** | **No** | **No** |
| **10.00 23-JUL-2030** | **23-Jul-10** |  **10.00**  |  **591.57**  | **23-Jul-30** |  **7.73**  | **14.80** | **78.29** | **No** | **Yes** |
| **12.50 27-APR-2032** | **27-Apr-22** |  **12.50**  |  **452.62**  | **27-Apr-32** |  **9.49**  | **14.72** | **88.82** | **No** | **Yes** |
| **^12.1493 18-JUL-2034** | **18-Jul-14** |  **12.15**  |  **1,075.92**  | **18-Jul-34** |  **11.71**  | **14.63** | **86.24** | **Yes** | **Yes** |
| **^12.50 27-MAR-2035** | **27-Mar-20** |  **12.50**  |  **972.03**  | **27-Mar-35** |  **12.40**  | **14.60** | **88.09** | **Yes** | **Yes** |
| **^12.40 18-MAR-2036** | **18-Mar-16** |  **12.40**  |  **926.14**  | **18-Mar-36** |  **13.38**  | **14.30** | **88.77** | **Yes** | **Yes** |
| **^16.2499 18-APR-2037** | **18-Apr-17** |  **16.25**  |  **803.81**  | **18-Apr-37** |  **14.46**  | **16.09** | **100.90** | **Yes** | **Yes** |
| **^13.00 21-JAN-2042** | **21-Jan-22** |  **13.00**  |  **1,184.56**  | **21-Jan-42** |  **19.23**  | **14.80** | **88.56** | **Yes** | **Yes** |
| **9.80 24-JUL-2045** | **24-Jul-20** |  **9.80**  |  **437.46**  | **24-Jul-45** |  **22.73**  | **14.86** | **67.21** | **No** | **No** |
| **^14.80 26-APR-2049** | **26-Apr-19** |  **14.80**  |  **990.36**  | **26-Apr-49** |  **26.49**  | **14.93** | **99.16** | **Yes** | **Yes** |
| **^12.98 27-MAR-2050** | **27-Mar-20** |  **12.98**  |  **1,085.52**  | **27-Mar-50** |  **27.40**  | **14.95** | **87.05** | **Yes** | **Yes** |

For the shorter end of the yield curve we have also looked at the T-bill market.

The following T-bill rates are available

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **DTM** | **Maturity** | **Closing Rate (%)** |  **Yield (%)** | **Closing Price** | **Outstanding Value (₦’bn)** | **Liquid (mkt trades)** | **Included in Calc** |
| **10** | **10-Nov-22** | **13.10** | **13.15** | **99.64** | **193.03** | **Yes** | **No** |
| **24** | **24-Nov-22** | **13.10** | **13.21** | **99.14** | **213.43** | **No** | **No** |
| **87** | **26-Jan-23** | **10.85** | **11.14** | **97.41** | **220.53** | **Yes** | **No** |
| **101** | **9-Feb-23** | **8.32** | **8.51** | **97.70** | **212.54** | **Yes** | **No** |
| **115** | **23-Feb-23** | **8.64** | **8.88** | **97.28** | **251.82** | **No** | **No** |
| **129** | **9-Mar-23** | **8.96** | **9.25** | **96.83** | **223.47** | **Yes** | **No** |
| **136** | **16-Mar-23** | **9.12** | **9.44** | **96.60** | **160.76** | **No** | **No** |
| **150** | **30-Mar-23** | **9.43** | **9.81** | **96.12** | **143.31** | **No** | **No** |
| **178** | **27-Apr-23** | **8.05** | **8.38** | **96.07** | **129.72** | **Yes** | **No** |
| **192** | **11-May-23** | **10.39** | **10.99** | **94.53** | **134.02** | **Yes** | **No** |
| **206** | **25-May-23** | **10.00** | **10.60** | **94.36** | **168.67** | **No** | **No** |
| **220** | **8-Jun-23** | **11.03** | **11.81** | **93.35** | **179.89** | **Yes** | **No** |
| **311** | **7-Sep-23** | **13.00** | **14.62** | **88.92** | **203.15** | **Yes** | **Yes** |
| **318** | **14-Sep-23** | **13.00** | **14.66** | **88.67** | **150.18** | **No** | **No** |

The Last Liquid point was 28 years and the UFR was 14.95%

The following is a graph of the risk-free spot rates for

* October 2022
* September and October 2022
* June 2022 to October 2022



