

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity significantly increased today from ₦405.20 billion last week Friday to ₦823.07 billion today. Unsurprisingly, the Open Repo Rate (OPR) and the Overnight Rate (O/N) contracted by 170bps and 195bps to 1.00% and 1.45%, respectively.

Outlook: We expect interbank rates to remain depressed in the interim.

Treasury Bills

The treasury bills market opened today's session with buy-side interest across the curve. Most of the demand was skewed to September 2024 papers at c.10.70%. Thus, the average mid-rate declined by c.200 bps to settle at 6.79%.

Outlook: We expect to see some buy-side interests tomorrow.

FGN Bonds

Activity in the FGN bonds market was mildly bullish, but at a less aggressive pace. Buy-side interests engulfed only some selected papers. Nevertheless, average yield remained unchanged at 14.20%.

Outlook: We expect a mildly bullish theme in the interim, even as investors await the release of Q4 2023 bond issuance calendar.

Eurobonds

The Eurobonds market continued to react to fears that the Fed's will keep interest rates for longer, even as the market position for likely shocks from the US labour data later this week. The SSA and MENA drifted lower, as average yield soared by 101bps to 12.31%.

Outlook: We expect the ADP Employment data, factory order and ISM services data to drive market activity tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
3-Oct-23	823.07	↑417.87
29-Sep-23	405.20	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 29th September 2023)	11.6596%
Added Benefit	Personal accident insurance cover

Macro Indicators	
GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	25.80% (July'23: 24.08%)
External Reserve (US\$ billion)	33.24 (-10.36% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*90.89 (+0.20% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	03-Oct-23	29-Sep-23	Change in Rates
65 days	3.92%	3.92%	(0.00%)
156 days	6.65%	6.65%	(0.00%)
310 days	11.11%	11.11%	(0.00%)

Source: FMDQ DQL for 03 October 2023

Benchmark FGN Bond Yields			
	03-Oct-23	29-Sep-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.58%	13.59%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.98%	14.98%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.57%	15.57%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.83%	15.83%	(0.00%)

Source: FMDQ DQL for 03 October 2023

Benchmark FGN Eurobond Yields			
	03-Oct-23	29-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	12.01%	11.36%	(0.65%)
10 yrs: NGERIA 7.875 02/16/32	12.36%	11.76%	(0.60%)
15 yrs: NGERIA 7.696 23/02/38	12.48%	11.90%	(0.58%)
30 yrs: NGERIA 9.248 01/21/49	12.51%	12.04%	(0.47%)
7.125% ECOTRAN 16/02/26	12.77%	12.63%	(0.14%)

Source: FBN UK Runs for 03 October 2023

Nigerian Equities

The Nigerian's equity market started the week on a positive note, as the ASI gained 0.59% to settle at 66,770.97 points, while year-to-date return settled at c.30.28. The buying interests seen on BUACEMENT (+9.94%) and OANDO (+9.55%) and GTCO (+2.18%) drove the positive performance today.

The NGX Banking and Industrial Indices appreciated by 0.31% and 3.53%, respectively. While the NGX Consumer Goods Index declined by 0.41%. The Oil & Gas Index stood flat. CHIPLC led the volume charts with 71.54 million units while GTCO led the value chart with ₦752.68 billion.

Outlook: We expect the bearish trend to persist tomorrow.

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate depreciated to \$/₦755.08, compared to \$/₦755.31 recorded on Tuesday.

Outlook: We expect rates volatility to persist.

Commodities

Oil prices rose in early Asian trade on Thursday after surging to the highest settlement in 2023 in the previous session as a steep drop in U.S. crude stocks added to worries of tight global supplies. To quantify, Brent crude oil prices appreciated by 0.76% to \$97.28 per barrel, while West Texas Intermediate (WTI) appreciated by 0.86% to US\$94.49 per barrel as of writing time. Also, Spot Gold gained 0.04% to US\$1,891.70 per ounce at the time of this report.

Outlook: We expect oil prices to stay elevated.

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
BUACEMENT	94.00	8.50	↑ 9.94%
BETAGLAS	66.95	6.05	↑ 9.93%
FTNCOCOA	1.66	0.15	↑ 9.93%
OANDO	8.60	0.75	↑ 9.55%
UACN	10.85	0.85	↑ 8.50%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
LINKASSURE	0.72	-0.08	↓ -10.00%
CWG	7.79	-0.86	↓ -9.94%
REDSTAREX	2.65	-0.29	↓ -9.86%
TANTALIZER	0.29	-0.03	↓ -9.38%
UPDCREIT	3.55	-0.35	↓ -8.97%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.59%	↑ 0.18%	↑ 30.28%
NSE Banking Index	↑ 0.31%	↑ 0.69%	↑ 60.07%
NSE Insurance Index	↓ -1.81%	↑ 4.76%	↑ 59.37%
NSE Industrial Goods Index	↑ 3.53%	↑ 0.63%	↑ 14.71%
NSE Consumer Goods Index	↓ -0.41%	↑ 1.15%	↑ 91.49%
NSE Oil & Gas Index	→ 0.00%	→ 0.00%	↑ 97.63%

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