

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity settled at ₦222.31 billion, compared with ₦353.60 billion, recorded last Friday. Thus, the Open Repo Rate (OPR) increased by 9bps to 1.58%, while the Overnight Rate (O/N) expanded by 17bps to 2.25%.

Outlook: We expect interbank rates to hover at similar levels tomorrow.

Treasury Bills

The treasury bills market witnessed a mixed theme overall, as early buy-side interests observed across the very short-dated papers like September 2023, were dampened by selling interest seen on February 2024 and August 2024 papers. Thus, the average mid-rate increased by c.66bps to settle at 8.12% day-on-day.

Outlook: We expect market to stay calm in the absence of any jitters.

FGN Bonds

The bonds market kicked-off today's session on a mixed note, with most of the activity skewed towards the 2026, 2037, 2050 and 2053 papers. Nonetheless, activity was largely muted, with the average mid-yield settling slightly bearish at 14.16%.

Outlook: We expect the mixed trend to persist in the interim.

Eurobonds

The Eurobonds' market was mildly active today, due to the "labour day" holiday in the US. However, the undertone today was bullish across Nigeria, Angola, and Kenya papers, with the oilers (Nigeria and Angola) largely driven by an uptick in oil prices. Average yield fell by 14bps to 10.97%.

Outlook: We expect the bullish sentiment to linger tomorrow.

| Date | Sys. Liq. (₦bn) | Diff. |
|----------|-----------------|-----------|
| 4-Sep-23 | 222.31 | ↓(131.28) |
| 1-Sep-23 | 353.60 | |

Source: CBN

| AIICO Money Market Fund (AMMF) | |
|--------------------------------------|-----------------------------------|
| Net Yield (As at 1st September 2023) | 11.7588% |
| Added Benefit | Personal accident insurance cover |

| Macro Indicators | |
|---------------------------------|------------------------------|
| GDP (Q1 2023) | +2.31% (Q4 2022: +3.52% y/y) |
| Inflation | 24.08% (May'23: 22.41%) |
| External Reserve (US\$ billion) | 33.95 (-8.44% YTD) |
| Monetary Policy Rate | 18.75% |
| Cash Reserve Requirement (CRR) | 32.50% |
| Brent Crude Price US\$/bbl | *89.00 (+0.51% d/d) |

Source: NBS, CBN, AIICO Capital

| Benchmark T-Bills Discount Rates | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 04-Sep-23 | 01-Sep-23 | Change in Rates |
| 66 days | 3.50% | 3.50% | (0.00%) |
| 157 days | 6.38% | 6.38% | (0.00%) |
| 311 days | 11.00% | 11.00% | (0.00%) |

Source: FMDQ DQL for 04 September 2023

| Benchmark FGN Bond Yields | | | |
|-----------------------------|-----------|-----------|-----------------|
| | 04-Sep-23 | 01-Sep-23 | Change in Yield |
| 5 yrs: 16.2884% 17-Mar-2027 | 13.04% | 13.04% | (0.00%) |
| 10 yrs: 12.50% 27-Apr-2032 | 14.75% | 14.75% | (0.00%) |
| 20 yrs: 13.00% 21-Jan-2042 | 15.04% | 15.04% | (0.00%) |
| 30 yrs: 12.98% 27-Mar-2050 | 15.35% | 15.35% | (0.00%) |

Source: FMDQ DQL for 04 September 2023

| Benchmark FGN Eurobond Yields | | | |
|-------------------------------|-----------|-----------|-----------------|
| | 04-Sep-23 | 01-Sep-23 | Change in Yield |
| 5 yrs: NGERIA 6 1/2 11/28/27 | 10.33% | 10.33% | (0.00%) |
| 10 yrs: NGERIA 7.875 02/16/32 | 10.99% | 10.99% | (0.00%) |
| 15 yrs: NGERIA 7.696 23/02/38 | 11.34% | 11.34% | (0.00%) |
| 30 yrs: NGERIA 9.248 01/21/49 | 11.47% | 11.45% | (0.02%) |
| 7.125% ECOTRAN 16/02/26 | 11.83% | 11.96% | +0.13% |

Source: FBN UK Runs for 04 September 2023

Nigerian Equities

The Nigerian's bourse closed on a bullish note, as the NGX ASI increased by c.1.11%, to settle at 68,279.14 points, while year-to-date return settled at c.33.22%. Buying interests in DANGSUGAR (10.00%), and NASCON (9.98%) fuelled the bullish performance today.

The NGX Banking and Consumer Indices appreciated by 5.65% and 1.57% respectively. While the Industrial Goods Indices depreciated by 0.14%. The Oil and Gas Index closed flat. FIDELITYBK led the volume with 85.14 million units, while ZENITHBANK led the value charts with ₦2.79 billion.

Outlook: We expect the bullish sentiment to linger tomorrow.

Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦747.87, compared with \$/₦740.38 recorded last Friday.

Outlook: We expect rates to remain volatile in the interim.

Commodities

Oil prices ticked up earlier today, as market sentiment was buoyed by positive China and U.S. economic data, as well as expectations of ongoing crude supply cuts from major producers. Brent oil prices appreciated by c.0.51% to \$89.00pb, day-on-day, while WTI appreciated by c. 0.30% day-on-day to settle at US\$85.80pb. Spot Gold gained by c.0.30% day-on-day to close at US\$1,945.40 per ounce as of report time.

Outlook: We expect oil prices to cross \$90pb.

Top 5 Equity Advancers

| Name (Symbol) | Closing Price | Gain(N) | % Change |
|---------------|---------------|---------|----------|
| DANGSUGAR | 66.55 | 6.05 | 10.00% |
| NASCON | 61.15 | 5.55 | 9.98% |
| JOHNHOLT | 1.44 | 0.13 | 9.92% |
| OANDO | 6.10 | 0.55 | 9.91% |
| LASACO | 2.17 | 0.19 | 9.60% |

Source: NGX, AIICO Capital

Top 5 Equity Decliners

| Name (Symbol) | Closing Price | Loss(N) | % Change |
|---------------|---------------|---------|----------|
| CHIPLC | 1.04 | -0.11 | -9.57% |
| CORNERST | 1.27 | -0.13 | -9.29% |
| SUNUASSUR | 0.80 | -0.08 | -9.09% |
| UPDCREIT | 3.35 | -0.30 | -8.22% |
| NGXGROUP | 24.50 | -1.90 | -7.20% |

Source: NGX, AIICO Capital

| | | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|-----------|
| NGX ASI | ↑ 1.11% | ↑ 3.22% | ↑ 2.60% | ↑ 33.22% |
| NSE Banking Index | ↑ 5.65% | ↑ 12.05% | ↑ 10.61% | ↑ 71.22% |
| NSE Insurance Index | ↓ -2.81% | ↓ -1.68% | ↓ -1.18% | ↑ 52.32% |
| NSE Industrial Goods Index | ↓ -0.14% | ↑ 1.80% | ↑ 1.49% | ↑ 20.79% |
| NSE Consumer Goods Index | ↑ 1.57% | ↑ 3.22% | ↑ 3.05% | ↑ 86.00% |
| NSE Oil & Gas Index | → 0.00% | ↑ 5.36% | ↑ 0.07% | ↑ 103.36% |

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