

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity settled at ₦227.13 billion, compared with ₦222.31 billion, recorded yesterday. Nonetheless, the Open Repo Rate (OPR) increased by 122bps to 2.80%, while the Overnight Rate (O/N) expanded by 15bps to 2.40%.

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

Treasury Bills

The treasury bills market was quiet today, as players positioned for tomorrow's auction, albeit few trades were executed on 22 Aug 2024 paper at c.11.60%. Thus, the average mid-rate dipped by c.69bps to settle at 7.48% day-on-day.

Outlook: We expect market players' focus to tilt towards the NTB auction tomorrow, as the DMO would be offering treasury bills worth ₦214.74 billion.

FGN Bonds

The local bonds was mixed today but with less volatility. Most interests were seen on the 2038 and 2053 papers. Consequently, average yield remained unchanged at 14.16%.

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

Eurobonds

The Nigeria's Eurobond market traded bearish today, as pessimism on tomorrow's tribunal verdict on Nigeria's general election impacted market sentiment. The SSA peers also participated in the negative sentiment as selloffs weighed across papers in the region, shrugging off the sustained high crude oil prices. Average yield increased by 17bps to 11.14%.

Outlook: We expect the announcement of the Nigerian election tribunal to drive market activities tomorrow, and possibly some economic data releases in the United States.

Date	Sys. Liq. (₦bn)	Diff.
5-Sep-23	227.13	↑ 4.82
4-Sep-23	222.31	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 4th September 2023)	11.7514%
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			
	05-Sep-23	04-Sep-23	Change in Rates
65 days	3.50%	3.50%	(0.00%)
156 days	6.38%	6.38%	(0.00%)
310 days	11.00%	11.00%	(0.00%)

Source: FMDQ DQL for 05 September 2023

Benchmark FGN Bond Yields			
	05-Sep-23	04-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	15.27%	15.04%	(0.23%)
30 yrs: 12.98% 27-Mar-2050	15.35%	15.35%	(0.00%)

Source: FMDQ DQL for 05 September 2023

Benchmark FGN Eurobond Yields			
	05-Sep-23	04-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.49%	10.33%	(0.16%)
10 yrs: NGERIA 7.875 02/16/32	11.18%	10.99%	(0.19%)
15 yrs: NGERIA 7.696 23/02/38	11.45%	11.34%	(0.11%)
30 yrs: NGERIA 9.248 01/21/49	11.58%	11.47%	(0.11%)
7.125% ECOTRAN 16/02/26	11.83%	11.83%	(0.00%)

Source: FBN UK Runs for 05 September 2023

Nigerian Equities

The Nigerian's bourse closed on a positive note, as the NGX ASI increased by c.0.08%, to settle at 68,334.68 points, while year-to-date return settled at c.33.33%. Buying interests in DANGSUGAR (5.18%), and BUAFODS (2.78%) fuelled the bullish performance today.

The NGX Banking Index depreciated by 0.60%. The Industrial Goods and Consumer Goods Indices appreciated by 0.03% and 1.98% while the Oil and Gas Index closed flat. UBA led the volume with 63.32 million units, while GTCO led the value charts with ₦1.53 billion.

Outlook: *We expect the bullish sentiment to linger tomorrow.*

Foreign Exchange

FMDQ's I & E rate appreciated to \$/₦744.97, compared with \$/₦747.87 recorded yesterday.

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

Commodities

Oil prices increased today, triggered by expectations of an extension in supply cuts by leading OPEC+ producers. Brent oil prices appreciated by c.1.96% to \$90.71pb, day-on-day, while WTI appreciated by c. 2.24% day-on-day to settle at US\$87.47pb. Spot Gold depreciated by c.0.76% day-on-day to close at US\$1,952.20 per ounce as of report time.

Outlook: *We expect oil prices to remain elevated.*

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
MULTIVERSE	2.97	0.27	↑ 10.00%
OMATEK	0.55	0.05	↑ 10.00%
SUNUASSUR	0.88	0.08	↑ 10.00%
BETAGLAS	42.90	3.90	↑ 10.00%
OANDO	6.70	0.60	↑ 9.84%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.70	-0.03	↓ -10.00%
CHELLARAM	3.22	-0.35	↓ -9.80%
IKEJAHOTEL	2.80	-0.30	↓ -9.68%
JOHNHOLT	1.31	-0.13	↓ -9.03%
NEIMETH	1.53	-0.15	↓ -8.93%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.08%	↑ 2.77%	↑ 33.33%
NSE Banking Index	↓ -0.60%	↑ 9.60%	↑ 70.20%
NSE Insurance Index	↓ -0.11%	↓ -0.23%	↑ 52.16%
NSE Industrial Goods Index	↑ 0.03%	↑ 1.62%	↑ 20.83%
NSE Consumer Goods Index	↑ 1.98%	↑ 4.23%	↑ 89.68%
NSE Oil & Gas Index	→ 0.00%	↑ 5.46%	↑ 103.36%

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