

# Daily Financial Market Update

**AIICO CAPITAL**
[www.aiocapital.com](http://www.aiocapital.com)

f t in @ /aiiocapitalng

## MARKET COMMENTARY

### Money Market

Opening system liquidity settled at ₦282.20 billion, compared with ₦227.13 billion, recorded yesterday. Nevertheless, the Open Repo Rate (OPR) increased by 27bps to 3.07%, while the Overnight Rate (O/N) expanded by 127bps to 3.67%.

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

### Treasury Bills

The treasury bills market was quiet today, although it had a slightly bearish undertone, particularly across the long end of the curve. The focus for most players was the NTB auction. Overall, the average mid-rate soared by 17bps to 7.65%, day-on-day.

**Outlook:** We expect some buy-side interests tomorrow, as unmet bids at today's auction should filter into the secondary market.

### FGN Bonds

The local bonds market was less active today, with a handful of trades noticed on the 2053 paper. Nonetheless, market settled on a bearish note, as average yield increased by 2bps to 14.18%.

**Outlook:** We expect market activities to maintain similar posture tomorrow.

### Eurobonds

The Nigeria's Eurobond market extended its selloffs in today's session, due to uncertainties regarding the Presidential Tribunal's verdict and poorer US service PMI by S&P (50.5 point in August from the preliminary 51 points). Activities in the SSA peers was also bearish. Thus, average yield increased by 9bps to 11.23%.

**Outlook:** We look forward to the speeches by some US Federal Reserve Officials, which is expected to drive market sentiment tomorrow. This is in addition to the US Initial Jobless Claims data release.

Date	Sys. Liq. (₦bn)	Diff.
6-Sep-23	282.21	↑ 55.08
5-Sep-23	227.13	

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			
	06-Sep-23	05-Sep-23	Change in Rates
64 days	3.50%	3.50%	(0.00%)
155 days	6.38%	6.38%	(0.00%)
309 days	11.00%	11.00%	(0.00%)

Source: FMDQ DQL for 06 September 2023

Benchmark FGN Bond Yields			
	06-Sep-23	05-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	15.25%	15.27%	+0.02%
30 yrs: 12.98% 27-Mar-2050	15.35%	15.35%	(0.00%)

Source: FMDQ DQL for 06 September 2023

Benchmark FGN Eurobond Yields			
	06-Sep-23	05-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.66%	10.49%	(0.17%)
10 yrs: NGERIA 7.875 02/16/32	11.26%	11.18%	(0.08%)
15 yrs: NGERIA 7.696 23/02/38	11.54%	11.45%	(0.09%)
30 yrs: NGERIA 9.248 01/21/49	11.63%	11.58%	(0.05%)
7.125% ECOTRAN 16/02/26	11.77%	11.83%	+0.06%

Source: FBN UK Runs for 06 September 2023

## Nigerian Equities

The Nigerian's bourse closed on a bearish note, as the NGX ASI lost c.0.07%, to settle at 68,286.28 points, while year-to-date return settled at c.33.24%. Selling interests in DANGSUGAR (-4.96%), and GTCO (-1.77%) drove the negative performance today.

The NGX Banking Index appreciated by 0.27% while the Industrial Goods sector appreciated by 0.17%. In contrast, the Consumer Goods Indices depreciated by 0.82% while the Oil and Gas Index remained unchanged. OANDO led the volume with 83.53 million units, while DANGCEM led the value charts with ₦708.71 million.

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

## Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦771.59, compared with \$/₦744.97 recorded yesterday.

**Outlook:** *We expect rates to decline in the short-term.*

## Commodities

Oil prices reversed course after crossing \$90.71pb yesterday, as investors shrugged off jitters arising from supply cuts from Saudi Arabia and Russia. Brent oil prices declined by c.0.17% to \$89.89pb, day-on-day, while WTI depreciated by c. 0.40% day-on-day to settle at US\$86.34pb. Spot Gold depreciated by c.0.52% day-on-day to close at US\$1,942.40 per ounce as of report time.

**Outlook:** *We expect oil prices to remain elevated in the interim.*

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
GUINEAINS	0.33	0.03	↑ 10.00%
BETAGLAS	47.15	4.25	↑ 9.91%
CAVERTON	1.34	0.12	↑ 9.84%
OANDO	7.35	0.65	↑ 9.70%
CWG	4.79	0.40	↑ 9.11%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
VITAFOAM	22.50	-2.50	↓ -10.00%
VERITASKAP	0.24	-0.02	↓ -7.69%
LINKASSURE	0.85	-0.05	↓ -5.56%
DANGSUGAR	66.65	-3.35	↓ -4.79%
CHAMPION	3.30	-0.15	↓ -4.35%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↓ -0.07%	↑ 2.78%	↑ 2.61%	↑ 33.24%
NSE Banking Index	↑ 0.27%	↑ 10.61%	↑ 10.25%	↑ 70.66%
NSE Insurance Index	↑ 0.43%	↓ -1.24%	↓ -0.86%	↑ 52.82%
NSE Industrial Goods Index	↑ 0.17%	↑ 1.68%	↑ 1.69%	↑ 21.04%
NSE Consumer Goods Index	↓ -0.82%	↑ 3.05%	↑ 4.23%	↑ 88.13%
NSE Oil & Gas Index	→ 0.00%	↑ 5.48%	↑ 0.07%	↑ 103.36%

### Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.