

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity settled at ₦165.09 billion, compared with ₦282.20 billion, recorded yesterday. As a result, the Open Repo Rate (OPR) increased by 93bps to 4.00%, while the Overnight Rate (O/N) expanded by 113bps to 4.80%.

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

Treasury Bills

The treasury bills market was stirred towards a positive note today, as buy-side interests came in for long-dated bills, albeit, on a less aggressive note. Overall, the average mid-rate fell by 6bps to 7.59%, day-on-day.

Outlook: We expect activities to ease tomorrow.

FGN Bonds

Activity on the local bonds market was slightly bullish, with buying interests on a few selected papers, especially 2053 maturity. As a result, average yield settled at c. 14.18%, due to the immaterial average decline.

Outlook: We expect similar activities to resurface tomorrow.

Eurobonds

Ahead of today's US jobless claims data, the SSA Eurobond market started the session with bearish sentiment across board. The US unemployment claims fell to 216k (lowest since February), from the revised 229k. Nevertheless, market recovered some of its losses, as players shrugged off the likelihood of a rate hike, with some buying interests seen across the region. Thus, average yield declined by 12bps to 11.12%.

Outlook: We expect the bullish sentiment to ease tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
7-Sep-23	165.09	↓(117.12)
6-Sep-23	282.21	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 6th September 2023)	11.3271%
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			
	07-Sep-23	06-Sep-23	Change in Rates
63 days	3.94%	3.50%	(0.44%)
154 days	5.48%	6.38%	+0.90%
308 days	10.49%	11.00%	+0.51%

Source: FMDQ DQL for 07 September 2023

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

Source: FMDQ DQL for 07 September 2023

Benchmark FGN Eurobond Yields			
	07-Sep-23	06-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.42%	10.66%	+0.24%
10 yrs: NGERIA 7.875 02/16/32	11.18%	11.26%	+0.08%
15 yrs: NGERIA 7.696 23/02/38	11.48%	11.54%	+0.06%
30 yrs: NGERIA 9.248 01/21/49	11.54%	11.63%	+0.09%
7.125% ECOTRAN 16/02/26	11.59%	11.77%	+0.18%

Source: FBN UK Runs for 07 September 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note, as the NGX ASI lost c.0.30%, to settle at 68,082.11 points, while year-to-date return settled at c.32.84%. Selling interests in DANGSUGAR (-3.98%) and NESTLE (-1.39%) drove the negative performance today.

The NGX Banking Index appreciated by 0.10%. On the flip side, the Industrial Goods, Consumer Goods, and Oil & Gas Indices depreciated by 0.71%, 0.65%, and 0.12%, respectively. OANDO led the volume with 91.64 million units, while NESTLE led the value charts with ₦1.93 billion.

Outlook: *We expect the bearish sentiment to ease tomorrow.*

Foreign Exchange

FMDQ's I & E rate appreciated to \$/₦736.62, compared with \$/₦771.59 recorded yesterday.

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

Commodities

Oil prices eased today as an uncertain economic outlook for China outweighed expectations of tighter supplies from extended supply cuts in Saudi Arabia and Russia. Brent oil prices declined by c.0.35% to \$90.28pb, day-on-day, while WTI depreciated by c. 0.22% day-on-day to settle at US\$87.35pb. Spot Gold depreciated by c.0.12% day-on-day to close at US\$1,941.90 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
BETAGLAS	51.85	4.70 ↑	9.97%
CADBURY	15.60	1.40 ↑	9.86%
CWVG	5.26	0.47 ↑	9.81%
TANTALIZER	0.46	0.04 ↑	9.52%
GUINEAINS	0.36	0.03 ↑	9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
MORISON	2.55	-0.28 ↓	-9.89%
COURTVILLE	0.60	-0.05 ↓	-7.69%
NASCON	56.60	-4.15 ↓	-6.83%
RTBRISCOE	0.41	-0.03 ↓	-6.82%
WEMABANK	5.10	-0.35 ↓	-6.42%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↓ -0.30%	↑ 2.30%	↑ 2.30%	↑ 32.84%
NSE Banking Index	↑ 0.10%	↑ 10.35%	↑ 10.35%	↑ 70.82%
NSE Insurance Index	↓ -0.03%	↓ -0.89%	↓ -0.89%	↑ 52.78%
NSE Industrial Goods Index	↓ -0.71%	↑ 0.97%	↑ 0.97%	↑ 20.18%
NSE Consumer Goods Index	↓ -0.65%	↑ 3.55%	↑ 3.55%	↑ 86.91%
NSE Oil & Gas Index	↓ -0.12%	↓ -0.06%	↓ -0.06%	↑ 103.11%

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