

Daily Financial Market Update

AIICO CAPITAL
www.aiocapital.com
[f](#) [t](#) [in](#) [@](#) /aiiocapitalng

MARKET COMMENTARY

Money Market

Opening system liquidity settled at ₦125.04 billion short, compared with ₦73.44 billion short, recorded last Friday. As a result, the Open Repo Rate (OPR) increased by 228bps to 20.11%, while the Overnight Rate (O/N) expanded by 208bps to 20.83%.

Outlook: We expect interbank rates remain elevated in the interim.

Treasury Bills

The treasury bills market was calm today, although, with a bearish backdrop, as the frail system liquidity and bond auction kept market on a cautious note. At the end of today's session, average mid-rate soared by 31bps to 7.96%, day-on-day.

Outlook: Activity should stay quiet tomorrow.

FGN Bonds

Activity on the local bonds market was also quiet, with a bearish undertone, due to the hefty attention at the primary market today. As a result, average yield settled increased by 3bps to 14.23%, day-on-day.

Outlook: We expect the bearish bias to linger tomorrow, given the upward shift in today's auctioned rates, coupled with poor liquidity.

Eurobonds

The Eurobonds market was mixed today across major papers, although, with few late sellers across the Nigerian curve. Moreso, volatility was little, due to the absence of significant market jitters. Overall, average yield increased by 15bps to 11.14%.

Outlook: We expect activity to stir at similar levels tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
11-Sep-23	-125.04	↓ (51.61)
8-Sep-23	-73.44	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 8th September 2023)	11.7043%
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			
	11-Sep-23	08-Sep-23	Change in Rates
59 days	4.00%	4.00%	(0.00%)
150 days	5.48%	5.48%	(0.00%)
318 days	11.00%	10.49%	(0.51%)

Source: FMDQ DQL for 11 September 2023

Benchmark FGN Bond Yields			
	11-Sep-23	08-Sep-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.03%	13.03%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.76%	14.75%	(0.01%)
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 11 September 2023

Benchmark FGN Eurobond Yields			
	11-Sep-23	08-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.51%	9.29%	(1.22%)
10 yrs: NGERIA 7.875 02/16/32	11.26%	11.07%	(0.19%)
15 yrs: NGERIA 7.696 23/02/38	11.48%	11.39%	(0.09%)
30 yrs: NGERIA 9.248 01/21/49	11.62%	11.49%	(0.13%)
7.125% ECOTRAN 16/02/26	11.99%	11.96%	(0.03%)

Source: FBN UK Runs for 11 September 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note, as the NGX ASI lost c.1.24%, to settle at 67,296.18 points, while year-to-date return settled at c.31.31%. Selling interests in UBA (-9.18%) and ACCESSCORP (-8.57%) drove the negative performance today.

All Indices closed in the red. The NGX Banking Index depreciated by 6.11%. Similarly, the Industrial Goods, Consumer Goods, and Oil & Gas Indices depreciated by 0.28%, 1.45%, and 0.10%, respectively. UBA led the volume with 73.93 million units, while ZENITHBANK led the value charts with ₦1.53 billion.

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

Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦773.50, compared with \$/₦722.39 recorded last Friday.

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

Commodities

Oil prices were little-changed in today's session after fresh Saudi and Russian crude output cuts had driven prices to 10-month highs last week. Brent oil prices appreciated by c.0.30% to \$90.92pb, day-on-day, while WTI depreciated by c. 0.10% day-on-day to settle at US\$87.42pb. Spot Gold appreciated by c.0.18% day-on-day to close at US\$1,946.10 per ounce as of report time.

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

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
NNFM	13.25	4.70	↑ 9.96%
OANDO	8.45	1.40	↑ 9.74%
CWG	6.30	0.47	↑ 9.00%
NPFMCRFBK	1.98	0.04	↑ 8.20%
RTBRISCOE	0.44	0.03	↑ 7.32%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
LEARNAFRCA	3.29	-0.28	↓ -15.64%
NASCON	52.20	-0.05	↓ -10.00%
ETRANZACT	9.00	-4.15	↓ -10.00%
NSLTECH	0.27	-0.03	↓ -10.00%
DANGSUGAR	57.75	-0.35	↓ -9.98%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -1.24%	↓ -1.44%	↑ 31.31%
NSE Banking Index	↓ -6.11%	↓ -6.19%	↑ 60.61%
NSE Insurance Index	↓ -2.07%	↓ -2.20%	↑ 48.98%
NSE Industrial Goods Index	↓ -0.28%	↓ -0.62%	↑ 20.04%
NSE Consumer Goods Index	↓ -1.45%	↓ -0.80%	↑ 84.52%
NSE Oil & Gas Index	↓ -0.10%	↓ -0.22%	↑ 102.91%

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.