

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

System liquidity opened on a negative note today, at ₦344.34 billion short, compared with ₦450.31 billion short, recorded yesterday. Nonetheless, the Open Repo Rate (OPR) increased by 75bps to 23.50%, while the Overnight Rate (O/N) expanded by 5bps to 23.75%.

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

### Treasury Bills

The treasury bills market was active today, with a lot of buy-side activity witnessed on the newly issued 1-year paper (12-Sept-2024) and surrounding long dated papers. This was due to investors who lost at yesterday's NTB auction trying to recover lost bids. Bids moderated on 12-Sept-2024 from low 12.00% levels to near mid 11.00%.

**Outlook:** We expect market to sustain its buy-side activity, albeit at a slower pace tomorrow.

### FGN Bonds

In the local bonds market, it was also a bullish affair across select short, mid and long-dated papers, particularly 2026s, 2033s, 2049s, 2050s and 2053s, as investors look to buy ahead of coupon remits. Overall, the average mid-yield declined by 3bps to 14.37%, day-on-day.

**Outlook:** We expect to see some cherry-picking tomorrow.

### Eurobonds

The Eurobonds market witnessed a bullish rally in today's session, suggesting expectation for a 'Hold' in the next US FOMC meeting. In addition, Brent crude oil prices remained elevated and crossed \$93pb today. At the ECB Press Conference today, the policy makers raised interest rate by 25bps taking its main refinancing operation to 4.50%, while adding that inflation is expected to stay high for a longer period. Overall, average yield fell by 21bps to settle at 11.06%.

**Outlook:** We expect to see a mild bullish bias tomorrow, pending any negative market-moving event.

Date	Sys. Liq. (₦bn)	Diff.
14-Sep-23	-344.34	↑ 105.98
13-Sep-23	-450.31	

Source: CBN

### AIICO Money Market Fund (AMMF)

Net Yield (As at 12th September 2023)	11.6475%
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			
	14-Sep-23	13-Sep-23	Change in Rates
56 days	4.00%	4.00%	(0.00%)
147 days	5.48%	5.48%	(0.00%)
315 days	11.49%	11.49%	(0.00%)

Source: FMDQ DQL for 14 September 2023

Benchmark FGN Bond Yields			
	14-Sep-23	13-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	14.78%	14.78%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.57%	15.57%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.83%	15.81%	(0.02%)

Source: FMDQ DQL for 14 September 2023

Benchmark FGN Eurobond Yields			
	14-Sep-23	13-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.44%	10.68%	+0.24%
10 yrs: NGERIA 7.875 02/16/32	11.18%	11.31%	+0.13%
15 yrs: NGERIA 7.696 23/02/38	11.43%	11.63%	+0.20%
30 yrs: NGERIA 9.248 01/21/49	11.52%	11.71%	+0.19%
7.125% ECOTRAN 16/02/26	12.28%	12.33%	+0.05%

Source: FBN UK Runs for 14 September 2023

## Nigerian Equities

The Nigerian's bourse slipped to settle on a bearish note in today's session. For context, the NGX ASI lost c.0.60%, to settle at 67,347.73 points, while year-to-date return settled at c.31.41%. Buying interests in TRANSCORP (-4.69%) and ZENITHBANK (-2.51%) impacted the negative performance today.

The NGX Banking and Industrial Goods Indices ticked up by 0.68% and 0.09%, while Consumer Goods Index depreciated by 0.28%. The Oil & Gas Index closed flat. UBA (+8.25%) led the volume with 301.03 million units, and as well as the value chart with ₦4.89 billion.

**Outlook:** *We expect market to be less active tomorrow.*

## Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦780.12, compared with \$/₦758.12 recorded yesterday.

**Outlook:** *We expect rates volatility to persist.*

## Commodities

Oil prices stayed high today. Brent oil prices appreciated by c.1.89% to \$93.62pb, day-on-day, while WTI appreciated by c. 1.92% day-on-day to settle at US\$90.22pb. Spot Gold depreciated by c.0.27% day-on-day to close at US\$1,927.30 per ounce as of report time.

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

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
CHELLARAM	3.85	0.35 ↑	10.00%
LEARNAFRCA	3.31	0.30 ↑	9.97%
ACADEMY	1.88	0.17 ↑	9.94%
CHIPLC	0.92	0.08 ↑	9.52%
COURTVILLE	0.59	0.05 ↑	9.26%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
ETRANZACT	7.20	-0.80 ↓	-10.00%
IKEJAHOTEL	2.75	-0.30 ↓	-9.84%
ABCTRANS	0.83	-0.09 ↓	-9.78%
GUINEAINS	0.29	-0.03 ↓	-9.38%
RTBRISCOE	0.40	-0.04 ↓	-9.09%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.06%	↓ -1.10%	↑ 31.38%
NSE Banking Index	↑ 0.68%	↓ -3.57%	↑ 64.72%
NSE Insurance Index	→ 0.00%	↓ -2.57%	↑ 48.85%
NSE Industrial Goods Index	↑ 0.09%	↓ -0.03%	↑ 20.14%
NSE Consumer Goods Index	↓ -0.28%	↓ -2.03%	↑ 83.12%
NSE Oil & Gas Index	→ 0.00%	↓ -0.22%	↑ 102.66%

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