

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

As a result of the coupon inflows observed today, the overall system liquidity opened the trading session on a favourable footing, amounting to c.₦110.77 billion in excess, in contrast to the deficit of ₦317.53 billion registered the previous Friday. The Open Repo Rate (OPR) exhibited a noteworthy decline of 781 basis points, settling at 15.83%, while the Overnight Rate (O/N) saw a substantial drop of 771 basis points, concluding the session at 16.71%.

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

### Treasury Bills

The Treasury bills market displayed a subdued performance today, with limited buying interest evident across the yield curve. Consequently, the average mid-rate stabilized at 7.45%.

**Outlook:** We expect similar trend tomorrow.

### FGN Bonds

The domestic bond market experienced a tranquil trading day, characterized by limited demand for specific securities. Consequently, the average yield registered a marginal decrease of 2 basis points, settling at 14.31% on a day-to-day basis.

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

### Eurobonds

Trading in the Nigerian and Angolan Eurobonds markets displayed a bearish sentiment today, driven by heightened anticipation surrounding the upcoming interest rate decision by the US Federal Reserve later this week. In contrast, Ghana's yield curve remained relatively subdued, following an announcement by the Finance Minister indicating that the debt restructuring agreement for external creditors is expected to be finalized by year-end. Overall, average yield increased by 6bps to settle at 11.14%.

**Outlook:** We expect activities to remain subdued tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
18-Sep-23	110.77	↑428.30
15-Sep-23	-317.53	

Source: CBN

### AIICO Money Market Fund (AMMF)

Net Yield (As at 18th September 2023)	11.5927%
Added Benefit	Personal accident insurance cover

### Macro Indicators

GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	25.80% (July'23: 24.08%)
External Reserve (US\$'billion)	33.30 (-10.20% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*94.80 (+0.80% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	18-Sep-23	15-Sep-23	Change in Rates
80 days	3.80%	4.42%	+0.62%
171 days	6.77%	6.55%	(0.22%)
325 days	11.78%	11.90%	+0.12%

Source: FMDQ DQL for 18 September 2023

Benchmark FGN Bond Yields			
	18-Sep-23	15-Sep-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.62%	13.62%	(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%	15.83%	(0.00%)

Source: FMDQ DQL for 18 September 2023

Benchmark FGN Eurobond Yields			
	18-Sep-23	15-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.57%	10.44%	(0.13%)
10 yrs: NGERIA 7.875 02/16/32	11.26%	11.16%	(0.10%)
15 yrs: NGERIA 7.696 23/02/38	11.52%	11.43%	(0.09%)
30 yrs: NGERIA 9.248 01/21/49	11.62%	11.58%	(0.04%)
7.125% ECOTRAN 16/02/26	12.42%	12.29%	(0.13%)

Source: FBN UK Runs for 18 September 2023

## Nigerian Equities

The Nigerian's bourse closed on a bullish note in today's session as the NGX ASI appreciated c.0.80%, to settle at 67,877.17 points, while year-to-date return settled at c.32.44%. Buying interests in UBA (+8.51%) and AIRTELAFRI (+1.60%) impacted the positive performance today.

The NGX Banking and Consumer Goods Indices ticked up by 1.91% and 0.53%, while Industrial Goods and Oil & Gas Indices depreciated by 0.14% and 2.18%, respectively. UBA led the volume with 109.47 million units, while AIRTELAFRI led the value chart with ₦2.72 billion

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

## Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate experienced a depreciation, declining to \$/₦773.98, as compared to the previous Friday's rate of \$/₦759.91.

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

## Commodities

Crude oil prices maintained their upward trajectory primarily due to constrained supply dynamics. Brent crude oil prices exhibited a modest gain of approximately 0.44%, reaching \$94.35 per barrel on a day-to-day basis, while West Texas Intermediate (WTI) saw a more substantial increase of about 1.73%, settling at US\$91.41 per barrel. In contrast, spot Gold experienced a slight depreciation of approximately 0.05% on the day, concluding at US\$1,945.10 per ounce at the time of this report.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
CHAMS	1.21	0.11	↑ 10.00%
NNFM	14.85	1.35	↑ 10.00%
OANDO	12.10	1.10	↑ 10.00%
STANBIC	75.50	6.60	↑ 9.58%
LASACO	2.10	0.18	↑ 9.38%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
OMATEK	0.36	-0.04	↓ -10.00%
SKYAVN	25.35	-2.80	↓ -9.95%
BETAGLAS	46.70	-5.15	↓ -9.93%
REDSTAREX	2.80	-0.26	↓ -8.50%
COURTVILLE	0.54	-0.05	↓ -8.47%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.80%	↑ 0.86%	↑ 2.00%	↑ 32.44%
NSE Banking Index	↑ 1.91%	↑ 4.52%	↑ 8.45%	↑ 67.87%
NSE Insurance Index	→ 0.00%	↓ -0.09%	↓ -3.43%	↑ 48.85%
NSE Industrial Goods Index	↓ -0.14%	↓ -0.05%	↑ 0.80%	↑ 19.98%
NSE Consumer Goods Index	↑ 0.53%	↓ -0.23%	↑ 1.99%	↑ 84.09%
NSE Oil & Gas Index	↓ -2.18%	↓ -2.30%	↓ -2.45%	↑ 98.25%

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