

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity opened the trading session on a negative footing at c. ₦41.43 billion, in contrast to the ₦110.77 billion registered yesterday. The Open Repo Rate (OPR) declined by 120 basis points, settling at 14.63%, while the Overnight Rate (O/N) dropped by 131 basis points, concluding the session at 15.40%.

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

Treasury Bills

The Treasury Bills market experienced a subdued trading session, with limited lateral movements of interest observed within specific maturity segments. As a result, the average mid-rate witnessed a marginal decline of 7 basis points, settling at 7.69%.

Outlook: We expect market to remain calm tomorrow.

FGN Bonds

Today's FGN bonds trading session sparked mild excitement with a noticeable uptick in buying activity, particularly in the 2037, 2038, and 2053 papers. Despite this surge in interest, the average mid-yield managed to maintain its poise, holding steady at 14.33%..

Outlook: The same sentiment is expected to persist tomorrow.

Eurobonds

In the Eurobonds market, a subdued atmosphere prevailed as market participants held their breath in anticipation of tomorrow's US Federal Reserve policy decision. The cautious sentiment led to limited buying interest in today's trading session.

Outlook: The impending Federal Reserve decision, scheduled for tomorrow, looms large as a pivotal catalyst likely to reverberate throughout African markets.

Date	Sys. Liq. (₦'bn)	Diff.
19-Sep-23	(41.43)	↓ 52.20
18-Sep-23	110.77	

Source: CBN

Benchmark T-Bills Discount Rates			
	19-Sep-23	18-Sep-23	Change in Rates
79 days	3.80%	3.80%	(0.00%)
170 days	6.77%	6.77%	(0.00%)
324 days	11.85%	11.78%	(0.07%)

Source: FMDQ DQL for 19 September 2023

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 FGN Bond Yields			
	19-Sep-23	18-Sep-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.61%	13.62%	+0.01%
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 19 September 2023

Benchmark FGN Eurobond Yields			
	19-Sep-23	18-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.61%	10.57%	(0.04%)
10 yrs: NGERIA 7.875 02/16/32	11.24%	11.26%	+0.02%
15 yrs: NGERIA 7.696 23/02/38	11.55%	11.52%	(0.03%)
30 yrs: NGERIA 9.248 01/21/49	11.63%	11.62%	(0.01%)
7.125% ECOTRAN 16/02/26	12.43%	12.42%	(0.01%)

Source: FBN UK Runs for 19 September 2023

Nigerian Equities

The Nigerian's bourse closed on a bullish note in today's session as the NGX ASI appreciated c.0.71%, to settle at 68,359.22 points, while year-to-date return settled at c.33.38%. Buying interests in STANBIC (+2.50%) and FIDELITYBK (+0.45%) impacted the positive performance today.

The NGX Consumer Goods Index appreciated by 3.07%, while banking and Oil & Gas Indices depreciated by 0.11% and 0.16% respectively. The Industrial Goods Index closed flat. 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 appreciated to \$/₦776.60, as compared to yesterday's rate of \$/₦780.12.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil prices rose in early trade on Tuesday for the fourth consecutive session, as weak shale output in the U.S. spurred further concerns about a supply deficit stemming from extended production cuts by Saudi Arabia and Russia. Brent crude oil prices gained 0.60%, reaching \$95.00 per barrel on a day-to-day basis, while West Texas Intermediate (WTI) gained 1.21%, settling at US\$92.59 per barrel. In contrast, spot Gold experienced a slight depreciation of approximately 0.08% on the day, concluding at US\$1,951.80 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
ELLAHLAKES	3.63	0.33	↑ 10.00%
BERGER	11.60	1.05	↑ 9.95%
ETRANZACT	8.08	0.73	↑ 9.93%
OANDO	13.30	1.20	↑ 9.92%
CHAMS	1.33	0.12	↑ 9.92%

Source: NGX, AIIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.27	-0.03	↓ -10.00%
SCOA	1.26	-0.14	↓ -10.00%
MULTIVERSE	2.72	-0.30	↓ -9.93%
CORNERST	1.25	-0.12	↓ -8.76%
DAARCOMM	0.21	-0.02	↓ -8.70%

Source: NGX, AIIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑0.71%	↑ 2.40%	↑ 2.72%	↑ 33.38%
NSE Banking Index	↓-0.11%	↑ 7.19%	↑ 8.33%	↑ 67.69%
NSE Insurance Index	→0.00%	↑ 2.27%	↓ -3.43%	↑ 48.85%
NSE Industrial Goods Index	↑0.00%	↓ -0.08%	↑ 0.80%	↑ 19.98%
NSE Consumer Goods Index	↑3.07%	↑ 4.63%	↑ 5.12%	↑ 89.74%
NSE Oil & Gas Index	↓-0.16%	↓ -2.45%	↓ -2.60%	↑ 97.94%

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