

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Today, there was a surge in system liquidity, boasting a noteworthy ₦230.96 billion surplus, a stark contrast to the ₦41.43 billion deficit observed just yesterday. This liquidity infusion led to significant shifts in the interbank market rates, with the Open Repo Rate (OPR) experiencing a substantial decline of 1,138 basis points, settling at 3.25%, while the Overnight Rate (O/N) mirrored this trend by dropping 1,150 basis points, concluding the session at 3.90%.

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

Treasury Bills

The Treasury Bills market was characterised with a quiet tone, marked by nuanced movements within the short, mid, and long-dated segments, notably the Oct 2023, Nov 2023, Mar 2024, Aug 2024, and Sept 2024 maturities. In the end, the market portrayed an overall sentiment shift, with the average mid-rate expanding by 17 basis points to settle at 7.85%.

Outlook: We expect a similar trend tomorrow.

FGN Bonds

Today's session in the local bonds market concluded on a positive note, characterized by a noteworthy 13 basis points reduction in the average yield, ultimately settling at 14.21%. Market participants sought after bonds spanning the spectrum, with a keen focus on select short, belly and long-dated offerings, including the 2026, 2029, 2038, and 2053 papers.

Outlook: We expect the bullish bias to persist tomorrow.

Eurobonds

The Eurobonds market displayed a measured bullish sentiment today, as investors proceeded with caution, demonstrating modest buying interest while awaiting the outcome of the US Federal Open Market Committee (FOMC) meeting later this evening. Additionally, the market observed a subdued opening in Ghana's sovereign bonds, later experiencing intermittent selling activity across various securities. This shift in sentiment coincided with Ghana's Q2'2023 GDP growth, which expanded at a rate of 3.2%, marking a slight revision from the downwardly revised 3.3% in Q1'23. Average yield shed 11bps to settle at 11.00%.

Outlook: We expect the outcome of the US FOMC meeting to impact the market tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
20-Sep-23	230.96	↑ 272.40
19-Sep-23	-41.43	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 19th September 2023)	11.6110%
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)	33.29 (-10.24% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*93.23 (-1.18% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	20-Sep-23	19-Sep-23	Change in Rates
78 days	3.80%	3.80%	(0.00%)
169 days	6.77%	6.77%	(0.00%)
323 days	11.85%	11.78%	(0.07%)

Source: FMDQ DQL for 20 September 2023

Benchmark FGN Bond Yields			
	20-Sep-23	19-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	14.79%	14.78%	(0.01%)
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 20 September 2023

Benchmark FGN Eurobond Yields			
	20-Sep-23	19-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.53%	10.61%	+0.08%
10 yrs: NGERIA 7.875 02/16/32	11.11%	11.24%	+0.13%
15 yrs: NGERIA 7.696 23/02/38	11.39%	11.55%	+0.16%
30 yrs: NGERIA 9.248 01/21/49	11.51%	11.63%	+0.12%
7.125% ECOTRAN 16/02/26	12.43%	12.43%	(0.00%)

Source: FBN UK Runs for 20 September 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note in today's session as the NGX ASI depreciated c.0.03%, to settle at 68,335.72 points, while year-to-date return settled at c.33.34%. The strong buying interests in OANDO (+9.77%) was dwarfed by selling interests seen on DANGSUGAR (-3.65%), UBA (-2.29%) and ACCESSCORP (-1.15%) in today's session.

The NGX Banking and Consumer Goods Indices depreciated by 0.97% and 0.40%, respectively, while the NGX Industrial and Oil & Gas Indices appreciated by 0.02% and 0.63% respectively. The Industrial Goods Index closed flat. OANDO led both the volume and value charts with 109.99 million units and ₦1.59 billion, respectively.

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

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate appreciated to \$/₦770.71, as compared to yesterday's rate of \$/₦776.60.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil prices fell today ahead of the U.S. Federal Reserve's interest rate decision, with investors uncertain when peak rates will be hit and how much of an impact it will have on energy demand. Brent crude oil prices depreciated by 0.45% to \$93.92 per barrel, while West Texas Intermediate (WTI) lost 0.22% to US\$91.00 per barrel as of writing time. Similarly, Spot Gold appreciated by 0.60% during the day, to US\$1,965.50 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
SUNUASSUR	0.88	0.08	↑ 10.00%
BERGER	12.75	1.15	↑ 9.91%
OANDO	14.60	1.30	↑ 9.77%
CHAMS	1.46	0.13	↑ 9.77%
MRS	104.00	9.00	↑ 9.47%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
TRANCOHOT	45.90	-5.10	↓ -10.00%
IKEJAHOTEL	2.72	-0.30	↓ -9.93%
CHIPLC	1.00	-0.08	↓ -7.41%
NSLTECH	0.25	-0.02	↓ -7.41%
GLAXOSMITH	11.30	-0.90	↓ -7.38%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.03%	↑ 1.42%	↑ 33.34%
NSE Banking Index	↓ -0.97%	↑ 1.49%	↑ 66.06%
NSE Insurance Index	→ 0.00%	→ 0.00%	↑ 48.85%
NSE Industrial Goods Index	↑ 0.02%	↓ -0.04%	↑ 19.99%
NSE Consumer Goods Index	↓ -0.40%	↑ 2.91%	↑ 88.97%
NSE Oil & Gas Index	↑ 0.63%	↓ -1.72%	↑ 99.18%

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