

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity fell by c. 27.31% from ₦65.64 billion on Friday to ₦47.72 billion today. In response, the Open Repo Rate (OPR) widened by 292bps to 5.50%, while the Overnight Rate (O/N) expanded by 296bps to 6.26%.

Outlook: We expect interbank rates to remain at single-digit levels tomorrow.

Treasury Bills

The Treasury Bills dived into a bullish territory, with average mid-rate falling by 52bps to close at 7.33%. A sizeable amount of the bullish bias revolved around the mid to long-dated papers.

Outlook: We expect market to repost the bullish bias, although, at a weaker pace.

FGN Bonds

The local bonds market relaxed on a bearish footing, as selling interests spilled around 2029s, 2050s and 2053s. Although, overall activity was relatively calm, as the average mid-yield propped up by 12bps to 14.20%.

Outlook: Market activity is expected to trade on a cautious note, pending the influx of FAAC credit.

Eurobonds

Given the absence of major market jitters, the Eurobonds market was tagged with less volatility with a touch of mild selling interest noticed across few papers. Consequently, the average yield increased by 2bps to 11.32%.

Outlook: We expect activity to be stirred by some US economic indicators tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
25-Sep-23	47.72	↓ (17.93)
22-Sep-23	65.64	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 22nd September 2023)	11.6385%
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)	33.28 (-10.25% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*93.19 (-0.09% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	25-Sep-23	22-Sep-23	Change in Rates
73 days	4.91%	4.91%	(0.00%)
164 days	6.75%	7.51%	+0.76%
318 days	11.11%	11.00%	(0.11%)

Source: FMDQ DQL for 25 September 2023

Benchmark FGN Bond Yields			
	25-Sep-23	22-Sep-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.60%	13.61%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(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 25 September 2023

Benchmark FGN Eurobond Yields			
	25-Sep-23	22-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.91%	10.95%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	11.38%	11.35%	(0.03%)
15 yrs: NGERIA 7.696 23/02/38	11.64%	11.62%	(0.02%)
30 yrs: NGERIA 9.248 01/21/49	11.73%	11.73%	(0.00%)
7.125% ECOTRAN 16/02/26	12.60%	12.59%	(0.01%)

Source: FBN UK Runs for 25 September 2023

Nigerian Equities

The Nigerian's equity market started the week on a negative note, as the ASI declined by 0.66% to settle at 66, 882.64 points, while year-to-date return settled at c.30.50%. The selling interests seen on ACCESSCORP (-9.86%), OANDO (-9.70%) and MTNN (-1.67%) dragged the market to its bearish posture.

The NGX Banking and Consumer Goods Indices lost 3.18% and 0.14%, respectively. While the Industrial Index appreciated by 0.11%. However, the Oil & Gas Index closed flat. ACCESSCORP led both the volume and value charts with 113.39 million units and ₦1.78 billion, respectively.

Outlook: *We expect the bearish trend to persist tomorrow.*

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate depreciated to \$/₦773.25, compared to \$/₦747.46 recorded last Friday.

Outlook: *We expect rates volatility to persist.*

Commodities

Russia partly eased its oil export ban, lifting the restrictions for fuel used as bunkering for some vessels and diesel with high sulphur content. The ban on all types of gasoline and high-quality diesel remains in place. Surprisingly, oil prices declined slightly. For context, Brent crude oil prices depreciated by 0.53% to \$92.78 per barrel, while West Texas Intermediate (WTI) lost 0.76% to US\$89.35 per barrel as of writing time. Similarly, Spot Gold lost 0.40% to US\$1,937.80 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
IKEJAHOTEL	2.75	0.25	↑ 10.00%
JOHNHOLT	1.81	0.16	↑ 9.70%
CORNERST	1.50	0.13	↑ 9.49%
REGALINS	0.38	0.03	↑ 8.57%
LINKASSURE	0.80	0.05	↑ 6.67%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CAVERTON	1.37	-0.15	↓ -9.87%
ACCESSCORP	15.55	-1.70	↓ -9.86%
OANDO	10.70	-1.15	↓ -9.70%
TIP	1.03	-0.11	↓ -9.65%
RTBRISCOE	0.38	-0.04	↓ -9.52%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.66%	↓ -1.47%	↑ 0.50%
NSE Banking Index	↓ -3.18%	↓ -3.96%	↑ 4.15%
NSE Insurance Index	→ 0.00%	↑ 2.20%	↓ -1.31%
NSE Industrial Goods Index	↑ 0.11%	↓ -4.64%	↓ -3.88%
NSE Consumer Goods Index	↓ -0.14%	↑ 2.67%	↑ 4.71%
NSE Oil & Gas Index	→ 0.00%	↑ 0.94%	↓ -1.53%
			↑ 30.50%
			↑ 61.23%
			↑ 52.12%
			↑ 14.41%
			↑ 89.00%
			↑ 100.12%

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