

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening system liquidity weakened further by c. 26.28% from ₦47.72 billion yesterday to ₦35.18 billion today. Thus, the Open Repo Rate (OPR) soared by 500bps to 10.50%, while the Overnight Rate (O/N) expanded by 479bps to 11.05%.

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

### Treasury Bills

The Treasury Bills market repriced higher ahead of the NTB auction rescheduled for Thursday (September 28, 2023), suggesting market's expectation for an uptick in stop rates should liquidity remain weak. Despite the serene activity observed, the average mid-rate increased by 34bps to 7.66%.

**Outlook:** We expect market activity to be skewed towards the NTB auction on Thursday. (As tomorrow's public holiday is marked for the Eid-el-Maulud celebration).

### FGN Bonds

The local bonds market expressed mild bullish sentiment in today's session, with minimal buy-side interests recorded across select short and long dated papers. Overall, the average mid-yield declined marginally by 1bp to close at 14.19%.

**Outlook:** We expect market activity to stay relatively quiet in the absence of any liquidity-induced positive drivers.

### Eurobonds

The Eurobonds market showcased a bearish reaction following weak US economic data. Both the SSA and MENA region suffered some selloffs across the curve. Consequently, the average yield increased by 8bps to 11.40%.

**Outlook:** We expect market to continue to trade mixed sentiments in response to the US economic data.

Date	Sys. Liq. (₦bn)	Diff.
26-Sep-23	35.18	↓(12.54)
25-Sep-23	47.72	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 25th September 2023)	11.6136%
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)	33.26 (-10.31% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*93.69 (-0.47% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	26-Sep-23	25-Sep-23	Change in Rates
72 days	4.91%	4.91%	(0.00%)
163 days	6.95%	6.75%	(0.20%)
317 days	11.11%	11.11%	(0.00%)

Source: FMDQ DQL for 26 September 2023

Benchmark FGN Bond Yields			
	26-Sep-23	25-Sep-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.60%	13.60%	(0.00%)
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 26 September 2023

Benchmark FGN Eurobond Yields			
	26-Sep-23	25-Sep-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.04%	10.91%	(0.13%)
10 yrs: NGERIA 7.875 02/16/32	11.46%	11.38%	(0.08%)
15 yrs: NGERIA 7.696 23/02/38	11.68%	11.64%	(0.04%)
30 yrs: NGERIA 9.248 01/21/49	11.79%	11.73%	(0.06%)
7.125% ECOTRAN 16/02/26	12.67%	12.60%	(0.07%)

Source: FBN UK Runs for 26 September 2023

## Nigerian Equities

The Nigerian's equity market closed on a bearish note today, as the ASI declined by 0.34% to settle at 66,652.17 points, while year-to-date return settled at c.30.05%. The selling interests seen on ZENITHBANK (-2.97%) and UBA (-1.71%) impacted the pull back in today's session.

The NGX Banking and Oil & Gas Indices depreciated by 1.40% and 1.24%, respectively. While the NGX Industrial Index declined by 0.36%. The Consumer Goods Index gained 0.16%. ACCESSCORP led the volume charts with 49.97 million units while UBA led the value charts with ₦787.37 billion.

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

## Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate appreciated to \$/₦755.08, compared to \$/₦773.25 recorded yesterday.

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

## Commodities

Oil Prices ranged today, as investors weighed demand concerns stemming from an uncertain economic outlook against expectations of tighter supply for the rest of this year. To quantify, Brent crude oil prices appreciated by 0.47% to \$93.73 per barrel, while West Texas Intermediate (WTI) appreciated by 0.69% to US\$90.30 per barrel as of writing time. However, Spot Gold lost 0.61% to US\$1,924.80 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
CHIPLC	1.10	0.10	↑ 10.00%
CORNERST	1.65	0.15	↑ 10.00%
UPDCREIT	3.90	0.35	↑ 9.86%
BETAGLAS	51.30	4.60	↑ 9.85%
CHAMPION	3.60	0.30	↑ 9.09%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CONOIL	80.20	-8.90	↓ -9.99%
FTNCOCOA	1.72	-0.19	↓ -9.95%
OANDO	9.65	-1.05	↓ -9.81%
BERGER	11.65	-1.10	↓ -8.63%
LASACO	1.85	-0.17	↓ -8.42%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.34%	↓ -2.50%	↑ 30.05%
NSE Banking Index	↓ -1.40%	↓ -5.20%	↑ 58.97%
NSE Insurance Index	→ 0.00%	↑ 2.20%	↑ 52.12%
NSE Industrial Goods Index	↓ -0.36%	↓ -4.98%	↑ 14.00%
NSE Consumer Goods Index	↑ 0.16%	↓ -0.22%	↑ 89.31%
NSE Oil & Gas Index	↓ -1.24%	↓ -0.15%	↑ 97.63%

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