

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity ballooned to ₦1.29 trillion today, up by 56.78% from ₦823.07 billion yesterday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 130bps and 155bps to 2.30% and 3.00%, respectively.

Outlook: We expect the interbank rates to increase tomorrow, due to the expectation of statutory CRR debits.

Treasury Bills

The treasury bills market was bullish in today's session. The September 2024 papers saw the highest traction for buyers, with some buying interest spilling across selected papers like October 2023, November 2023, December 2023, and August 2024. Accordingly, the average mid-rate lost c.2 bps to settle at 6.77%.

Outlook: We expect the buying interests to ease tomorrow.

FGN Bonds

Activity in the FGN bonds market was less active with a bearish backdrop on a few papers. Consequently, the average mid-yield increased by 7bps to 14.27%. Today, the DMO released the bond issuance calendar for Q4'2023, wherein the 2029, 2033, 2038 and 2053 papers are expected to be reissued at the primary market window.

Outlook: We expect a similar trend tomorrow, in the absence of any surprises.

Eurobonds

Despite the tentative weakening in the US labour data, the Eurobonds market endured its bearish momentum today, including the SSA and MENA curves. The US ADP employment data was stronger than market expectation at 177k (Est. 150k), but less than 180k added in August. As a result, the average yield increased by 3bps to 12.33%.

Outlook: We expect the bearish bias to persist, as participants anticipates the key Non-Farm Payroll later this week.

Date	Sys. Liq. (₦'bn)	Diff.
4-Oct-23	1,290.44	↑467.36
3-Oct-23	823.07	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 29th September 2023)	11.6596%
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)	33.23 (-10.37% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*87.38 (-3.89% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	04-Oct-23	03-Oct-23	Change in Rates
64 days	3.92%	3.92%	(0.00%)
155 days	6.65%	6.65%	(0.00%)
309 days	11.11%	11.11%	(0.00%)

Source: FMDQ DQL for 04 October 2023

Benchmark FGN Bond Yields			
	04-Oct-23	03-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.58%	13.58%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.98%	14.98%	(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 04 October 2023

Benchmark FGN Eurobond Yields			
	04-Oct-23	03-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	12.11%	12.01%	(0.10%)
10 yrs: NGERIA 7.875 02/16/32	12.45%	12.36%	(0.09%)
15 yrs: NGERIA 7.696 23/02/38	12.58%	12.48%	(0.10%)
30 yrs: NGERIA 9.248 01/21/49	12.59%	12.51%	(0.08%)
7.125% ECOTRAN 16/02/26	12.85%	12.77%	(0.08%)

Source: FBN UK Runs for 04 October 2023

Nigerian Equities

The Nigerian's equity market withdrew to a bearish posture, as the ASI depreciated by 0.43% to settle at 66,482.28 points, while year-to-date return settled at c.29.72. The buying interests seen on WEMABANK (-10.00%), MTNN (-3.85%) and FIDELITYBK (-3.57%) impacted the bearish bias today.

The NGX Banking and Industrial Indices depreciated by 0.02% and 0.01%, respectively. While the NGX Consumer Goods Index gained 0.18%. The Oil & Gas Index stood flat. UNIVINSURE led the volume charts with 336.29 million units while GTCO led the value chart with ₦885.39 billion.

Outlook: *We expect the bearish sentiment to ease.*

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate depreciated to \$/₦756.21, compared to \$/₦745.19 recorded yesterday.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil fell today, as pledges by Saudi Arabia and Russia to continue crude output cuts to the end of 2023 were offset by demand fears stemming from macroeconomic headwinds. Brent crude oil prices depreciated by 3.89% to \$87.38 per barrel, while West Texas Intermediate (WTI) appreciated by 4.02% to US\$85.64 per barrel as of writing time. In contrast, Spot Gold depreciated 0.05% to US\$1,840.60 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
OANDO	9.45	0.85	↑ 9.88%
REDSTAREX	2.91	0.26	↑ 9.81%
TRIPPLEG	2.38	0.21	↑ 9.68%
RTBRISCOE	0.58	0.05	↑ 9.43%
UNIVINSURE	0.24	0.02	↑ 9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
IKEJAHOTEL	3.15	-0.35	↓ -10.00%
WEMABANK	4.23	-0.47	↓ -10.00%
ABCTRANS	0.72	-0.07	↓ -8.86%
ROYALEX	0.46	-0.04	↓ -8.00%
CHIPLC	1.18	-0.07	↓ -5.60%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.43%	↓ -0.25%	↑ 29.72%
NSE Banking Index	↓ -0.02%	↑ 0.67%	↑ 60.03%
NSE Insurance Index	↑ 0.28%	↑ 5.06%	↑ 59.82%
NSE Industrial Goods Index	↓ -0.01%	↑ 0.62%	↑ 14.70%
NSE Consumer Goods Index	↑ 0.18%	↑ 1.34%	↑ 91.84%
NSE Oil & Gas Index	→ 0.00%	→ 0.00%	↑ 97.63%

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