

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

Opening System liquidity enhanced by over 500% to c.₦225.13 billion from ₦34.19 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 34bps and 67bps to 15.92% and 17.13%, respectively.

**Outlook:** We expect the interbank rates to remain at double-digit levels tomorrow.

### Treasury Bills

The treasury bills market started with mixed to bearish interests across the curve. Shortly before the closing bell, market switched to a quiet theme due to the OMO auction announcement, with ₦250bn on offer across 4 tenors (97,181,265 and 342-days). Consequently, the average mid-rate trended higher by c.59bps to settle at 11.86%.

**Outlook:** We expect market to trade bearish tomorrow, in anticipation of elevated stop rates at the OMO auction today.

### FGN Bonds

The local bonds market endured its mixed-to-bearish theme, with selling interest mostly observed across selected papers particularly, 2028, 2038 and 2053 papers. As a result, the average mid-yield increased by 8bps to close at 15.55%.

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

### Eurobonds

The Eurobonds market traded mixed to bullish amid expectations of a “hold stance” in policy rate by the US Federal Reserve at the FOMC meeting later today. Also, the US ADP employment figures fell short of the market's forecast, with 113,000 jobs added in October compared to an expected 130,000. Thus, the Nigerian curve ended the session on a bullish note, as the average mid-yield declined by 10bps to settle at 11.30%.

**Outlook:** We expect market to react on the outcome of FOMC meeting tomorrow, while staying cautious ahead of Nonfarm Payroll report.

Date	Sys. Liq. (₦bn)	Diff.
1-Nov-23	225.13	↑ 190.94
29-Oct-23	34.19	

Source: CBN

### AIICO Money Market Fund (AMMF)

Net Yield (As at 31st October 2023)	13.1601%
Added Benefit	Personal accident insurance cover

### Macro Indicators

GDP (Q12023)	+2.51% (Q2 2023: +2.31% y/y)
Inflation	26.72% (Aug'23: 25.80%)
External Reserve (US\$'billion)	33.37 (-10.01% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*85.99 (+1.14% d/d)

Source: NBS, CBN, AIICO Capital

### Benchmark T-Bills Discount Rates

	01-Nov-23	29-Oct-23	Change in Rates
36 days	7.15%	7.15%	(0.00%)
127 days	11.20%	8.39%	(2.81%)
281 days	12.71%	12.71%	(0.00%)

Source: FMDQ DQL for 01 November 2023

### Benchmark FGN Bond Yields

	01-Nov-23	29-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	14.78%	14.78%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	15.45%	15.45%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	16.39%	16.39%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.35%	16.35%	(0.00%)

Source: FMDQ DQL for 01 November 2023

### Benchmark FGN Eurobond Yields

	01-Nov-23	29-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.67%	10.71%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	11.49%	11.62%	+0.13%
15 yrs: NGERIA 7.696 23/02/38	11.79%	11.86%	+0.07%
30 yrs: NGERIA 9.248 01/21/49	11.98%	12.04%	+0.06%
7.125% ECOTRAN 16/02/26	13.09%	13.09%	(0.00%)

Source: FBN UK Runs for 01 November 2023

## Nigerian Equities

The Nigerian equity market experienced a significant upsurge, due to buying interests seen on AIRTELAFRI (+10.00%), FBN (+9.78%), ACCESSCORP (+4.37%), ZENITHBANK +3.77%, and GTCO (+1.72%). The All-Share Index (ASI) crossed 70,000 points after today's +1.94%, precisely settling at 70,581.76 points, with a year-to-date return of approximately 37.72%. Market activity was positive, with a 24.51% increase in total volume traded and 82.25% increase in total value traded.

Notably, the Banking Index appreciated by 2.21%, while the Consumer Goods Index declined by 0.14%. The Industrial and Oil & Gas Indices closed flat. UBA led both the volume charts and value charts with 163.56 million units and ₦3.47 billion, respectively.

**Outlook:** *We expect the bullish bias to linger tomorrow.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 3.73% to \$/₦786.06 from \$/₦815.32 recorded yesterday.

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

## Commodities

Oil prices edged higher ahead of key meetings of global central banks this week, including the U.S. Federal Reserve, while the market closely watched the latest developments in the Israel-Hamas conflict. Brent crude oil prices increased by 1.92% to \$86.65 per barrel, while West Texas Intermediate (WTI) gained 2.02% to US\$82.66 per barrel as of writing time. Similarly, Spot Gold gained by 0.02% to US\$1,995.40 per ounce at the time of this report.

**Outlook:** *We expect oil prices to continue to be swayed by global headwinds.*

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
AIRTELAFRI	1694.10	154.00	↑ 10.00%
CHAMS	2.44	0.22	↑ 9.91%
UPL	2.33	0.21	↑ 9.91%
NEM	5.55	0.50	↑ 9.90%
FBNH	19.65	1.75	↑ 9.78%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CAVERTON	1.43	-0.12	↓ -7.74%
CHAMPION	3.40	-0.25	↓ -6.85%
CILEASING	3.36	-0.23	↓ -6.41%
UPDCREIT	3.60	-0.10	↓ -2.70%
UNILEVER	14.00	-0.35	↓ -2.44%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 1.94%	↑ 5.02%	↑ 1.94%
NSE Banking Index	↑ 2.21%	↑ 4.68%	↑ 2.21%
NSE Insurance Index	↑ 3.73%	↑ 5.81%	↑ 3.73%
NSE Industrial Goods Index	→ 0.00%	↑ 3.03%	→ 0.00%
NSE Consumer Goods Index	↓ -0.14%	↑ 0.15%	↓ -0.14%
NSE Oil & Gas Index	→ 0.00%	↑ 2.31%	→ 0.00%
			↑ 37.71%
			↑ 75.39%
			↑ 65.65%
			↑ 18.05%
			↑ 94.86%
			↑ 102.35%

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