

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity declined by 77.33% to c.₦51.04 billion from ₦225.13 billion recorded yesterday. Thus, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 416ps and 347bps to 20.08% and 20.60%, respectively.

Outlook: We expect the interbank rates to close at similar levels tomorrow.

Treasury Bills

Activity in the treasury bills market exhibited a mixed to bearish tone, influenced by cautious sentiments arising from the results of yesterday's OMO auction, where the 342-Day paper closed at 17.98%. Therefore, offers across the long end of the NTB rate curve adjusted upwards to reach approximately 14.00%, while bids were primarily skewed toward the c.15.00% range. Consequently, the average mid-rate closed higher, increasing by c.54bps to settle at 12.40%.

Outlook: We expect the mixed theme to persist tomorrow.

FGN Bonds

The local FGN bonds market had a subdued trading day characterized by a bearish sentiment. While activity was relatively quiet, the focus of interest was primarily directed towards selected bonds, notably the 2032, 2050, and 2053 papers. Overall, the market observed an expansion in the average mid-yield, increasing by c.39bps to settle at 15.55%.

Outlook: We expect similar performance tomorrow.

Eurobonds

Today's Eurobonds trading session sustained a bullish bias as buying interests flourished in the SSA and MENA papers. This surge in demand followed the US Federal Reserve's decision to maintain the benchmark interest rate at 5.50% for the second consecutive time. Consequently, the Nigerian curve concluded the session on a bullish note, with the average mid-yield decreasing by 38 basis points, settling at 10.92%.

In other significant developments, the Bank of England chose to retain its benchmark interest rate at 5.25%, maintaining this 15-year high for the second consecutive time. This decision aligns with policymakers' evaluation of indications pointing to a potential economic slowdown in the UK, all while grappling with the ongoing challenge of stubbornly high inflation

Outlook: The next hurdle for the market is tomorrow's NFP report. However, we expect market to maintain its bullish course.

Date	Sys. Liq. (₦bn)	Diff.
2-Nov-23	51.04	↓(174.09)
1-Nov-23	225.13	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 1st November 2023)	13.3684%
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)	33.39 (-9.94% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*86.16 (+1.81% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	02-Nov-23	01-Nov-23	Change in Rates
35 days	7.15%	7.15%	(0.00%)
126 days	11.20%	11.20%	(0.00%)
280 days	12.71%	12.71%	(0.00%)

Source: FMDQ DQL for 02 November 2023

Benchmark FGN Bond Yields			
	02-Nov-23	01-Nov-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	14.98%	14.78%	(0.20%)
10 yrs: 12.50% 27-Apr-2032	15.55%	15.45%	(0.10%)
15 yrs: 13.00% 21-Jan-2042	16.27%	16.39%	+0.12%
30 yrs: 12.98% 27-Mar-2050	16.85%	16.35%	(0.50%)

Source: FMDQ DQL for 02 November 2023

Benchmark FGN Eurobond Yields			
	02-Nov-23	01-Nov-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.22%	10.67%	+0.45%
10 yrs: NGERIA 7.875 02/16/32	11.11%	11.49%	+0.38%
15 yrs: NGERIA 7.696 23/02/38	11.45%	11.79%	+0.34%
30 yrs: NGERIA 9.248 01/21/49	11.69%	11.98%	+0.29%
7.125% ECOTRAN 16/02/26	12.83%	13.09%	+0.26%

Source: FBN UK Runs for 02 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
OMATEK	0.55	0.05	↑ 10.00%
ACADEMY	1.90	0.17	↑ 9.83%
TANTALIZER	0.45	0.04	↑ 9.76%
PRESTIGE	0.45	0.04	↑ 9.76%
DAARCOMM	0.25	0.02	↑ 8.70%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CHAMS	2.20	-0.24	↓ -9.84%
INTBREW	4.15	-0.40	↓ -8.79%
RTBRISCOE	0.43	-0.04	↓ -8.51%
THOMASWY	3.70	-0.34	↓ -8.42%
FBNH	18.05	-1.60	↓ -8.14%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.76%	↑ 4.41%	↑ 36.67%
NSE Banking Index	↓ -0.85%	↑ 4.13%	↑ 73.89%
NSE Insurance Index	↑ 1.56%	↑ 9.46%	↑ 68.24%
NSE Industrial Goods Index	↓ -0.65%	↑ 2.36%	↑ 17.28%
NSE Consumer Goods Index	↓ -0.19%	↓ -0.15%	↑ 94.49%
NSE Oil & Gas Index	→ 0.00%	↑ 2.31%	↑ 102.35%

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