

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Following some statutory CRR deductions, the opening system liquidity declined by 55.62% to ₦572.69 billion from ₦1.29 trillion yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) fell by 110bps and 100bps to 1.20% and 2.00%, respectively.

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

Treasury Bills

Bargain hunting in the treasury bills space was sustained in today's trading session. Buy interests scouted for short-dated papers with a few on the longer maturities. As such, the average mid-rate declined 18bps to settle at 6.77%.

Outlook: We expect the buying interests to ease tomorrow.

FGN Bonds

Activity in the FGN bonds market was quietly mixed, as participants showed interests on several papers. At the close of market, the average mid-yield increased by 4bps to 14.31%.

Outlook: We expect market to stay quiet tomorrow.

Eurobonds

The Eurobonds market started today's session with weaker bearish bias across the curve. After the lower-than-expected initial jobless claims, report broke out, market eased with mild buying interests. The US Initial Jobless claims data was less of a strong market catalyst as actual data printed at 207k from the previous 205k, while market forecasted 210k. As a result, the average yield increased by 1bps to 12.35%.

Outlook: Tomorrow's key market-moving event is expected to be the US Job Report. As at writing time, market expects the US to have added 170k jobs in September, from 187k jobs in August. .

Date	Sys. Liq. (₦'bn)	Diff.
5-Oct-23	572.70	
4-Oct-23	1,290.44	↓(717.74)

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 (-10.40% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*84.13 (-1.96% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	05-Oct-23	04-Oct-23	Change in Rates
63 days	3.92%	3.92%	(0.00%)
154 days	6.65%	6.65%	(0.00%)
308 days	11.11%	11.11%	(0.00%)

Source: FMDQ DQL for 05 October 2023

Benchmark FGN Bond Yields			
	05-Oct-23	04-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	12.45%	12.45%	(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 05 October 2023

Benchmark FGN Eurobond Yields			
	05-Oct-23	04-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	12.21%	12.11%	(0.10%)
10 yrs: NGERIA 7.875 02/16/32	12.45%	12.45%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	12.58%	12.58%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	12.59%	12.59%	(0.00%)
7.125% ECOTRAN 16/02/26	12.88%	12.85%	(0.03%)

Source: FBN UK Runs for 05 October 2023

Nigerian Equities

The Nigerian's equity market returned to its bullish bias today, as the ASI gained by 0.13% to settle at 66,570.19 points, while year-to-date return settled at c.29.89. The buying interests seen on NASCON (+5.69%) and OANDO (+5.29%) impacted the bullish bias today.

The NGX Banking, Industrial and Consumer Goods Indices appreciated by 0.44%, .03% and 0.36%, respectively. While the Oil & Gas Index stood flat. OANDO led both the volume and value charts with 75.15 million units and ₦771.24 billion, respectively.

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

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate depreciated to \$/₦775.20, compared to \$/₦756.21 recorded yesterday.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil prices declined today, extending the previous session's losses as an uncertain demand outlook overshadowed an OPEC+ panel meeting deciding to maintain oil output cuts to keep supply tight. Brent crude oil prices depreciated by 1.96% to \$84.13 per barrel, while West Texas Intermediate (WTI) declined by 1.97% to US\$82.56 per barrel as of writing time. In contrast, Spot Gold depreciated 0.34% to US\$1,828.60 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
WEMABANK	4.65	0.42	↑ 9.93%
THOMASWY	2.14	0.19	↑ 9.74%
REGALINS	0.37	0.03	↑ 8.82%
ROYALEX	0.50	0.04	↑ 8.70%
DAARCOMM	0.25	0.02	↑ 8.70%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CHAMPION	3.38	-0.37	↓ -9.87%
CHELLARAM	3.48	-0.38	↓ -9.84%
ABCTRANS	0.65	-0.07	↓ -9.72%
UPDC	1.28	-0.12	↓ -8.57%
MCNICHOLS	0.60	-0.05	↓ -7.69%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.13%	↑ 0.18%	↑ 29.89%
NSE Banking Index	↑ 0.44%	↑ 2.14%	↑ 60.73%
NSE Insurance Index	↓ -0.06%	↑ 4.13%	↑ 59.72%
NSE Industrial Goods Index	↑ 0.03%	↑ 0.65%	↑ 14.74%
NSE Consumer Goods Index	↑ 0.36%	↑ 2.40%	↑ 92.53%
NSE Oil & Gas Index	→ 0.00%	→ 0.00%	↑ 97.63%

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