

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

Opening System liquidity declined by 43.52% to c.₦152.23 billion from ₦269.51 billion recorded yesterday. Thus, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 38bps and 21bps to 16.88% and 17.63%, respectively.

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

### Treasury Bills

The treasury bills market saw a significant increase in rates across various maturities after yesterday's NTB auction, with particular attention on the 1-year paper (07-Nov-2024), which opened at a bid rate of 16.30%. Nevertheless, by midday, there was some buying interest in the 07-Nov-2024 bill as investors cherry-picked the attractively priced paper, leading to trades occurring between 16.15% and 15.65%. In the end, the average mid-rate surged by 61bps, settling at 12.66%.

**Outlook:** *We expect a mixed theme tomorrow.*

### FGN Bonds

The local FGN bonds market was calm today, with a bearish backdrop, as market anticipates a possible increase in rates at the next bond auction scheduled for next Monday (13-Nov-2023). Overall, the average mid-yield increased by c.10bps to settle at 16.13%.

**Outlook:** *We expect market players to trade cautiously in tomorrow's session.*

### Eurobonds

The Eurobonds market had a bearish day, marked by selling activity in SSA and North African bonds, as market participants shifted their attention towards upcoming speeches by ECB President Lagarde and Fed Chair Powell later today. Consequently, the average mid-yield across the Nigerian curve increased by 27bps to closed at 11.19%.

**Outlook:** *We expect activity to be driven by the tone of the ECB president and Fed Chair speeches.*

| Date     | Sys. Liq. (₦bn) | Diff.     |
|----------|-----------------|-----------|
| 9-Nov-23 | 152.23          | ↓(117.29) |
| 8-Nov-23 | 269.51          |           |

Source: CBN

#### AIICO Money Market Fund (AMMF)

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| Net Yield (As at 7th November 2023) | 13.2911%                          |
| 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) | 33.41 (-9.92% YTD)           |
| Monetary Policy Rate            | 18.75%                       |
| Cash Reserve Requirement (CRR)  | 32.50%                       |
| Brent Crude Price US\$/bbl      | *81.37 (+2.30% d/d)          |

Source: NBS, CBN, AIICO Capital

| Benchmark T-Bills Discount Rates |           |           |                 |
|----------------------------------|-----------|-----------|-----------------|
|                                  | 09-Nov-23 | 08-Nov-23 | Change in Rates |
| 77 days                          | 9.14%     | 13.00%    | +3.86%          |
| 182 days                         | 13.53%    | 13.53%    | (0.00%)         |
| 301 days                         | 14.12%    | 14.12%    | (0.00%)         |

Source: FMDQ DQL for 09 November 2023

| Benchmark FGN Bond Yields   |           |           |                 |
|-----------------------------|-----------|-----------|-----------------|
|                             | 09-Nov-23 | 08-Nov-23 | Change in Yield |
| 5 yrs: 16.2884% 17-Mar-2027 | 15.05%    | 15.05%    | (0.00%)         |
| 10 yrs: 12.50% 27-Apr-2032  | 11.30%    | 15.56%    | (0.04%)         |
| 20 yrs: 13.00% 21-Jan-2042  | 16.51%    | 16.51%    | (0.00%)         |
| 30 yrs: 12.98% 27-Mar-2050  | 16.94%    | 16.94%    | (0.00%)         |

Source: FMDQ DQL for 09 November 2023

| Benchmark FGN Eurobond Yields |           |           |                 |
|-------------------------------|-----------|-----------|-----------------|
|                               | 09-Nov-23 | 08-Nov-23 | Change in Yield |
| 5 yrs: NGERIA 6 1/2 11/28/27  | 10.61%    | 10.31%    | (0.30%)         |
| 10 yrs: NGERIA 7.875 02/16/32 | 11.30%    | 11.01%    | (0.29%)         |
| 15 yrs: NGERIA 7.696 23/02/38 | 11.61%    | 11.43%    | (0.18%)         |
| 30 yrs: NGERIA 9.248 01/21/49 | 11.86%    | 11.64%    | (0.22%)         |
| 7.125% ECOTRAN 16/02/26       | 13.02%    | 12.93%    | (0.09%)         |

Source: FBN UK Runs for 09 November 2023

## Nigerian Equities

The Nigerian equity market closed on a bullish note today, as buying interest on FIDELITYBK (+4.40%), and FBNH (3.36%) impacted the market. The All-Share Index (ASI) appreciated by 0.07%, settling at 70,819.49 points, with a year-to-date return of 38.18%. Market activity was positive, with 1.94% increase in total volume traded and 71.44% increase in total value traded.

The Banking Index appreciated by 0.21%, while Industrial, and Consumer Goods Indices depreciated by 0.02% and 0.06%, respectively. The Oil & Gas Index closed flat. JAPAUFGOLD led the total volume charts with 113.97 million units, while STANBIC led the total value charts with ₦6.77 billion.

**Outlook:** We expect market the bullish sentiment ease tomorrow.

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 12.24% (or ₦122.04) to \$/₦996.75 from \$/₦874.71 recorded yesterday.

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

## Commodities

Oil prices edged up on Thursday as markets shrugged off deflationary indicators in China and looked for further clues on the status of demand from the world's two biggest oil consumers.. Brent crude oil prices appreciated by 2.14% to \$81.24 per barrel, while West Texas Intermediate (WTI) gained 2.11% to US\$76.92 per barrel as of writing time. Similarly, Spot Gold declined by 0.37% to US\$1,965.20 per ounce at the time of this report.

**Outlook:** We expect oil prices to remain volatile.

### Top 5 Equity Advancers

| Name (Symbol) | Closing Price | Gain(N) | % Change |
|---------------|---------------|---------|----------|
| UPDC          | 1.22          | 0.11    | 9.91%    |
| MECURE        | 3.57          | 0.32    | 9.85%    |
| SCOA          | 1.24          | 0.11    | 9.73%    |
| JAPAUFGOLD    | 1.83          | 0.16    | 9.58%    |
| UACN          | 16.00         | 1.25    | 8.47%    |

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

| Name (Symbol) | Closing Price | Loss(N) | % Change |
|---------------|---------------|---------|----------|
| VFDGROUP      | 184.50        | -20.50  | -10.00%  |
| MULTIVERSE    | 2.90          | -0.30   | -9.37%   |
| TIP           | 0.97          | -0.10   | -9.35%   |
| REGALINS      | 0.32          | -0.03   | -8.57%   |
| DAARCOMM      | 0.22          | -0.02   | -8.33%   |

Source: NGX, AIICO Capital

|                            | W-o-W    | MTD      | YTD       |
|----------------------------|----------|----------|-----------|
| NGX ASI                    | ↑ 0.07%  | ↑ 1.11%  | ↑ 38.18%  |
| NSE Banking Index          | ↑ 0.21%  | ↑ 0.30%  | ↑ 74.42%  |
| NSE Insurance Index        | ↓ -1.05% | ↓ -0.89% | ↑ 66.74%  |
| NSE Industrial Goods Index | ↓ -0.02% | ↑ 1.01%  | ↑ 18.47%  |
| NSE Consumer Goods Index   | ↓ -0.06% | ↑ 0.07%  | ↑ 94.63%  |
| NSE Oil & Gas Index        | → 0.00%  | ↑ 2.31%  | ↑ 107.02% |

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