

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity opened at ₦496.63 billion from ₦510.09 billion yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) declined by 7bps and 12bps to 0.93% and 1.58%, respectively.

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

Treasury Bills

The treasury bills market extended its bullish bias in today's session, with buy-side interests seen on March and September papers, suggesting expectation for a decline in stop rates at tomorrow's auction. Consequently, the average mid-rate declined by 14bps to 5.92%.

Outlook: We expect focus to be centered on the NTB auction tomorrow.

FGN Bonds

Generally, activity was less active in the local bonds market. However, there were sideways interests across the 2026s, 2027s, 2028s, 2029s and 2053 papers. Overall, the average mid-yield declined by c.2bps to 14.34%.

Outlook: We expect a mixed bias in the interim.

Eurobonds

After the recent selloffs, the Eurobonds market dialled back its bullish bias with bargain hunting across the curve in both regions, given attractive yield levels. As a result, the average yield shed 50bps to settle at 11.97%.

Outlook: Expectations around the next CPI data should impact market direction in the interim. Although, the minutes of the last US FOMC meeting would be unveiled tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
10-Oct-23	496.63	↓ (13.46)
9-Oct-23	510.09	

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)	33.22 (-10.41% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*87.98 (+4.02% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	10-Oct-23	09-Oct-23	Change in Rates
58 days	3.92%	3.92%	(0.00%)
149 days	6.65%	6.65%	(0.00%)
303 days	9.47%	9.47%	(0.00%)

Source: FMDQ DQL for 10 October 2023

Benchmark FGN Bond Yields			
	10-Oct-23	09-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.25%	13.25%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.95%	14.95%	(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 10 October 2023

Benchmark FGN Eurobond Yields			
	10-Oct-23	09-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.64%	12.35%	+0.71%
10 yrs: NGERIA 7.875 02/16/32	12.14%	12.63%	+0.49%
15 yrs: NGERIA 7.696 23/02/38	12.31%	12.71%	+0.40%
30 yrs: NGERIA 9.248 01/21/49	12.36%	12.68%	+0.32%
7.125% ECOTRAN 16/02/26	12.75%	12.81%	+0.06%

Source: FBN UK Runs for 10 October 2023

Nigerian Equities

The Nigerian's equity market closed bearish today, as the ASI slipped by 0.17% to settle at 67,101.33 points, while year-to-date return settled at c.30.93. The buying interests on OANDO (+7.61%) was the leading bullish driver, while PRESCO (-9.54%), UNILEVER (-4.33%) and ACCESSCORP (-1.25%) influenced the pull back today.

The NGX Banking and Consumer Goods Indices declined by 1.11% and 0.11%, respectively. The Oil & Gas Index gained 0.36%, while the Industrial Goods Index closed flat. FIDELITYBK led the volume charts with 53.40 million units while SEPLAT led the value charts with ₦3.85 billion.

Outlook: *We expect a mixed bias in the interim.*

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate appreciated to \$/₦765.83, compared to \$/₦773.54 recorded yesterday.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil prices declined today, continuing a slide that began earlier in the day with traders focused on demand levels but still cautious as they watched for potential supply disruptions amid clashes between Israel and Hamas. Brent crude oil prices lost 1.01% to \$87.26 per barrel, while West Texas Intermediate (WTI) declined by 1.08% to US\$85.45 per barrel as of writing time. In contrast, Spot Gold appreciated 0.41% to US\$1,871.90 per ounce at the time of this report.

Outlook: *We expect oil prices to continue to swing sideways.*

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
MCNICHOLS	0.66	0.06	↑ 10.00%
CAPHOTEL	3.02	0.27	↑ 9.82%
CHAMS	1.40	0.12	↑ 9.38%
ABCTRANS	0.74	0.06	↑ 8.82%
OANDO	9.90	0.70	↑ 7.61%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
JOHNHOLT	1.44	-0.16	↓ -10.00%
PRESCO	182.00	-19.20	↓ -9.54%
DAARCOMM	0.21	-0.02	↓ -8.70%
DEAPCAP	0.25	-0.02	↓ -7.41%
JAIZBANK	1.50	-0.10	↓ -6.25%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.17%	↑ 0.32%	↑ 30.70%
NSE Banking Index	↓ -1.11%	↓ -0.44%	↑ 59.36%
NSE Insurance Index	↓ -0.71%	↓ -0.82%	↑ 58.06%
NSE Industrial Goods Index	↑ 0.00%	↓ -0.90%	↑ 13.68%
NSE Consumer Goods Index	↓ -0.11%	↑ 1.25%	↑ 93.89%
NSE Oil & Gas Index	↑ 0.36%	↑ 0.72%	↑ 99.05%

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