

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity opened at ₦459.34 billion from ₦496.63 billion yesterday. Thus, the Open Repo Rate (OPR) and the Overnight Rate (O/N) appreciated by 7bps and 9bps to 1.00% and 1.67%, respectively.

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

Treasury Bills

The treasury bills traded on a calm note today, due to market attention towards today's auction. Some buy-side interests for the long-dated papers came in towards the close of the session. Thus, the average mid-rate declined to 5.92%.

Outlook: We anticipate an unaggressive buy-side interests from unmet bids tomorrow.

FGN Bonds

Today's activity was quite relaxed, as interests for the short end bonds thinned out, while a bearish theme was observed for long dated papers. Overall, the average mid-yield increased by c. 4bps to 14.38%.

Outlook: We envisage similar pattern in tomorrow's session.

Eurobonds

The Eurobonds market extended its bullish sentiment in today's session. Buying interests were seen across the curve from the start of the market and was sustained till the end of the session. Consequently, the average yield shed 19bps to settle at 11.78%.

Outlook: We expect market sentiment to be partly influenced by any surprises from today's FOMC's minutes as well as US CPI data. As of writing, the market expects the US CPI to print lower than previous data at 3.60% y/y for September, from 3.70% in August. Core monthly CPI is expected to remain the same.

Date	Sys. Liq. (₦bn)	Diff.
11-Oct-23	459.33	↓(37.30)
10-Oct-23	496.63	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 10th October 2023)	11.7402%
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			
	11-Oct-23	10-Oct-23	Change in Rates
57 days	3.92%	3.92%	(0.00%)
148 days	6.65%	6.65%	(0.00%)
302 days	9.22%	9.47%	+0.25%

Source: FMDQ DQL for 11 October 2023

Benchmark FGN Bond Yields			
	11-Oct-23	10-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 11 October 2023

Benchmark FGN Eurobond Yields			
	11-Oct-23	10-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.30%	11.64%	+0.34%
10 yrs: NGERIA 7.875 02/16/32	11.91%	12.14%	+0.23%
15 yrs: NGERIA 7.696 23/02/38	12.16%	12.31%	+0.15%
30 yrs: NGERIA 9.248 01/21/49	12.20%	12.36%	+0.16%
7.125% ECOTRAN 16/02/26	12.62%	12.75%	+0.13%

Source: FBN UK Runs for 11 October 2023

Nigerian Equities

The Nigerian's equity market settled bullish today, as the ASI gained 0.17% to settle at 67,100.49 points, while year-to-date return settled at c.30.93. The buying interests on TRANSCORP (+5.41%) and BUACEMENT (+2.32%) stirred the bullish bias.

The NGX Industrial and Consumer Goods Indices appreciated by 0.95% and 0.01%, respectively. The Banking Index declined by 0.27%, while the Oil & Gas Index closed flat. NEIMETH led the volume charts with 163.20 million units while ZENITHBANK led the value charts with ₦1.01 billion

Outlook: *We expect a mixed bias to persist.*

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate depreciated to \$/₦776.80, compared to \$/₦765.83 recorded yesterday.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil prices fell today, as fears of disruption to supplies due to conflict in the Middle East receded a day after top OPEC producer Saudi Arabia pledged to help stabilize the market. Brent crude oil prices declined by 1.96% to \$85.93 per barrel, while West Texas Intermediate (WTI) declined by 2.45% to US\$85.85 per barrel as of writing time. In contrast, Spot Gold appreciated 0.48% to US\$1,884.30 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
THOMASWY	2.35	0.21 ↑	9.81%
DAARCOMM	0.23	0.02 ↑	9.52%
CORNERST	1.65	0.10 ↑	6.45%
TRANSCORP	6.43	0.33 ↑	5.41%
UBN	6.95	0.35 ↑	5.30%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
OMATEK	0.44	-0.04 ↓	-8.33%
OANDO	9.10	-0.80 ↓	-8.08%
AFRIPRUD	6.50	-0.55 ↓	-7.80%
CAVERTON	1.48	-0.11 ↓	-6.92%
CHIPLC	1.05	-0.07 ↓	-6.25%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.17%	↑ 0.93%	↑ 30.93%
NSE Banking Index	↓ -0.27%	↓ -0.69%	↑ 58.93%
NSE Insurance Index	↑ 1.58%	↓ -1.08%	↑ 60.56%
NSE Industrial Goods Index	↑ 0.95%	↑ 0.05%	↑ 14.77%
NSE Consumer Goods Index	↑ 0.01%	↑ 1.08%	↑ 93.91%
NSE Oil & Gas Index	→ 0.00%	↑ 0.36%	↑ 98.34%

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