

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity opened at ₦617.61 billion from ₦448.75 billion last Friday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) declined by 6bps and 17bps to 0.94% and 1.50%, respectively.

Outlook: We expect the interbank rates to remain at similar band tomorrow.

Treasury Bills

The treasury bills traded on a quiet note, with mild interests seen on selected papers around the short and long-dated papers. Thus, the average mid-rate remained unchanged at 5.87%.

Outlook: We expect activity to improve tomorrow.

FGN Bonds

Due to the bond auction today, the local bonds market closed on a relatively quiet note. Nonetheless, the average mid-yield marginally lost 1bp to settle at 14.38%.

Outlook: We expect tomorrow's session to be hinged on the result of the FGN bond auction conducted today.

Eurobonds

Activity in the Eurobonds market was weak across the SSA and MENA region in today's session. Nigeria's finance minister, Mr Wale Edun seeks \$1.5 billion loan from the World Bank to finance its budget. Also, Kenya's President, William Ruto signed the Public Finance Management Bill into law, setting the threshold of borrowing at 55% of the country's GDP in present value terms. Specifically, Nigeria's curve closed on a negative note, as average yield increased by 7bps to 11.96%

Outlook: We expect market to remain relatively mixed.

Date	Sys. Liq. (₦bn)	Diff.
16-Oct-23	617.61	↑ 168.86
13-Oct-23	448.75	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 13th October 2023)	11.7386%
Added Benefit	Personal accident insurance cover

Macro Indicators

GDP (Q1 2023)	+2.51% (Q2 2023: +2.31% y/y)
Inflation	26.72% (Aug'23: 25.80%)
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	*89.81 (-1.17% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates	16-Oct-23	13-Oct-23	Change in Rates
52 days	3.92%	3.92%	(0.00%)
144 days	4.95%	4.95%	(0.00%)
297 days	8.44%	8.44%	(0.00%)

Source: FMDQ DQL for 16 October 2023

Benchmark FGN Bond Yields	16-Oct-23	13-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.24%	13.25%	+0.01%
10 yrs: 12.50% 27-Apr-2032	15.10%	15.10%	(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 16 October 2023

Benchmark FGN Eurobond Yields	16-Oct-23	13-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.49%	11.44%	(0.05%)
10 yrs: NGERIA 7.875 02/16/32	12.08%	12.00%	(0.08%)
15 yrs: NGERIA 7.696 23/02/38	12.28%	12.24%	(0.04%)
30 yrs: NGERIA 9.248 01/21/49	12.40%	12.30%	(0.10%)
7.125% ECOTRAN 16/02/26	12.79%	12.78%	(0.01%)

Source: FBN UK Runs for 16 October 2023

Nigerian Equities

The Nigerian's equity market closed on a bearish note, as the ASI lost 0.14% to settle at 67,037.93 points, while year-to-date return settled at c.30.80%. The selling interests on OKOMUOIL (-9.96%) and OANDO (-9.24%) drove the bearish sentiment.

The NGX Industrial and Oil & Gas Indices depreciated by 0.06% and 0.29%, respectively. In contrast, the Banking and Consumer Goods Indices appreciated by 1.04% and 1.02%. UBA led the volume charts with 32.62 million units while DANGSUGAR led the value charts with ₦658.03 million

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

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate steadied at \$/₦764.86.

Outlook: *We expect rates volatility to persist.*

Commodities

Brent oil declined today, as investors waited to see if the Israel-Hamas conflict draws in other countries. Brent crude oil prices depreciated by 1.17% to \$89.81 per barrel, while West Texas Intermediate (WTI) depreciated by 0.79% to US\$87.01 per barrel as of writing time. Similarly, Spot Gold depreciated 0.37% to US\$1,934.30 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
ROYALEX	0.51	0.04	8.51%
CHIPLC	1.23	0.08	6.96%
NASCON	58.00	3.00	5.45%
FLOURMILL	31.00	1.25	4.20%
DANGSUGAR	62.60	1.90	3.13%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
STANBIC	72.00	-8.00	-10.00%
SOVREINIS	0.36	-0.04	-10.00%
OKOMUOIL	236.80	-26.20	-9.96%
OANDO	8.35	-0.85	-9.24%
OMATEK	0.42	-0.04	-8.70%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.14%	↓ -0.09%	↑ 0.99%
NSE Banking Index	↑ 1.04%	↑ 0.59%	↑ 1.58%
NSE Insurance Index	↑ 0.23%	↓ -0.73%	↓ -2.64%
NSE Industrial Goods Index	↓ -0.06%	↑ 0.89%	↑ 3.52%
NSE Consumer Goods Index	↑ 1.02%	↑ 0.99%	↑ 1.95%
NSE Oil & Gas Index	↓ -0.29%	↓ -0.29%	↑ 0.06%

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