

Daily Financial Market Update

AIICO CAPITAL
www.aiocapital.com

f t in @ /aiiocapitalng

MARKET COMMENTARY

Money Market

System liquidity dropped by c. ₦36.63 billion to open at ₦580.98 billion compared to yesterday's opening balance. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) stayed at 0.94% and 1.50%, respectively.

Outlook: We expect the interbank rates to close higher tomorrow, due to the bond action settlement depleting market liquidity. However, coupon from the FGN 2037 paper should provide some support.

Treasury Bills

Overall, the treasury bills market expressed a gloomy performance today, with weak bids and offers. Although, the slight activity was stirred towards the one-year paper. Average yield remained 5.87%.

Outlook: We expect market sentiment to remain mixed in the interim.

FGN Bonds

Yield on the FGN Bond papers pushed higher today in response to yesterday's FGN bond auction, despite some buying interests on selected papers. Thus, market closed bearish with 10bps uptick in average yield to settle at 14.47%.

Outlook: We expect market to continue to trade with less aggression.

Eurobonds

In Ghana's Eurobonds Market, selloffs were witnessed across the spectrum, as players reacted to the information from yesterday's Investor-focused presentation. The Finance minister, Ken Ofori Atta, mentioned that a 30-40% nominal haircut on Eurobond debt, capping coupons at 5%, and limiting maturities to 20 years, has been proposed to external bond holders, though a final position is yet to be agreed. Other SSA papers, including Nigeria and Angola, witnessed a bearish bias as well, partly tied to the strong US economic data released today, such as US retail sales (and retail minus auto sales), and industrial production. In contrast, the Egypt dollar market posted a bullish performance. Specifically, Nigeria's curve closed on a negative note, as average yield increased by 17bps to 12.13%.

Outlook: We expect market to remain relatively mixed.

Date	Sys. Liq. (₦bn)	Diff.
17-Oct-23	580.98	↓ (36.63)
16-Oct-23	617.61	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 16th October 2023)	11.6968%
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

	17-Oct-23	16-Oct-23	Change in Rates
51 days	3.92%	3.92%	(0.00%)
142 days	4.95%	4.95%	(0.00%)
296 days	8.44%	8.44%	(0.00%)

Source: FMDQ DQL for 17 October 2023

Benchmark FGN Bond Yields

	17-Oct-23	16-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.24%	13.24%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	15.10%	15.10%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	12.51%	15.57%	(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 17 October 2023

Benchmark FGN Eurobond Yields

	17-Oct-23	16-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.58%	11.49%	(0.09%)
10 yrs: NGERIA 7.875 02/16/32	12.32%	12.08%	(0.24%)
15 yrs: NGERIA 7.696 23/02/38	12.51%	12.28%	(0.23%)
30 yrs: NGERIA 9.248 01/21/49	12.59%	12.40%	(0.19%)
7.125% ECOTRAN 16/02/26	12.79%	12.79%	(0.00%)

Source: FBN UK Runs for 17 October 2023

Nigerian Equities

The Nigerian's equity market sustained its sideways pattern witnessed over the last couple of days, albeit it recouped some of yesterday's losses, as the ASI gained 0.43% to settle at 67,326.12 points, while year-to-date return settled at c.31.37%. The buying interests on FIDELITYBK (+4.97%) and ACCESSCORP (+4.95%) impacted the bullish performance.

The NGX Banking, Industrial and Oil & Gas Indices appreciated by 2.75%, 0.05%, and 0.03%, respectively. In contrast, the Consumer Goods Index lost 0.01%. ETRANZACT led the volume charts with 44.07 million units while UBA led the value charts with ₦796.34 million.

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

Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate depreciated by a whopping 10.89% to \$/₦848.12 from \$/₦764.86 recorded yesterday.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil was mixed today, after yesterday's decline and ahead of U.S. President Joe Biden's visit to the Middle East which is likely to involve balancing support for Israel with containing a regional escalation of its war with Hamas. Brent crude oil prices gained 0.21% to \$89.84 per barrel, while West Texas Intermediate (WTI) depreciated by 0.05% to US\$86.64 per barrel as of writing time. Similarly, Spot Gold appreciated 0.19% to US\$1,938.19 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
JBERGER	36.30	3.30	↑ 10.00%
CWG	9.50	0.85	↑ 9.83%
CHAMPION	3.71	0.33	↑ 9.76%
OANDO	9.15	0.80	↑ 9.58%
THOMASWY	3.06	0.26	↑ 9.29%

Source: NGX, AIIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
MULTIVERSE	2.67	-0.28	↓ -9.49%
UNITYBNK	0.91	-0.09	↓ -9.00%
ELLAHLAKES	4.00	-0.35	↓ -8.05%
NB	38.90	-3.10	↓ -7.38%
ETRANZACT	8.40	-0.60	↓ -6.67%

Source: NGX, AIIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.43%	↑ 0.51%	↑ 1.42%
NSE Banking Index	↑ 2.75%	↑ 4.52%	↑ 4.37%
NSE Insurance Index	↑ 0.20%	↑ 0.17%	↓ -2.44%
NSE Industrial Goods Index	↑ 0.05%	↑ 0.95%	↑ 3.57%
NSE Consumer Goods Index	↓ -0.01%	↑ 1.10%	↑ 1.94%
NSE Oil & Gas Index	↑ 0.03%	↓ -0.26%	↑ 0.09%
			↑ 31.37%
			↑ 66.55%
			↑ 58.34%
			↑ 14.76%
			↑ 96.01%
			↑ 97.81%

Important Disclaimers

This document has been issued and approved by AIIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIIICO Capital clients who are then expected to make their own investment decisions. AIIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.