

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

System liquidity slipped by c. ₦250.82 billion to open at ₦330.16 billion compared to yesterday's opening balance. As a result, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 23bps and 30bps to 1.17% and 1.80%, respectively.

**Outlook:** We expect the interbank rates hover at similar levels tomorrow.

### Treasury Bills

The treasury bills market was calm today, as players showed little interest for only a few papers, particularly August and September 2024 bills. At close, market posted a bearish backdrop, as average yield increased by 2bps to 5.89%.

**Outlook:** We expect a similar performance tomorrow.

### FGN Bonds

The local bonds market also witnessed weak activity in today's session, as interest was only seen on selected papers, particularly the on-the-run maturities. Thus, average yield increased by 6bps to 14.53%.

**Outlook:** We expect the current trend to persist.

### Eurobonds

The Eurobonds market extended its selloffs in today's trading session, as global headwinds permeate bearish bias on investors' sentiments. In that regards, average yield advanced by 48bps to 12.60%.

**Outlook:** We expect market to bearish theme to ease tomorrow, as yield levels gradually paves way for the bulls.

Date	Sys. Liq. (₦bn)	Diff.
18-Oct-23	330.16	↓(250.82)
17-Oct-23	580.98	

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 (Q12023)	+2.51% (Q2 2023: +2.31% y/y)
Inflation	26.72% (Aug'23: 25.80%)
External Reserve (US\$'billion)	33.23 (-10.39% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*91.20 (+1.45% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	18-Oct-23	17-Oct-23	Change in Rates
50 days	3.92%	3.92%	(0.00%)
141 days	4.95%	4.95%	(0.00%)
295 days	8.44%	8.44%	(0.00%)

Source: FMDQ DQL for 18 October 2023

Benchmark FGN Bond Yields			
	18-Oct-23	17-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: 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 18 October 2023

Benchmark FGN Eurobond Yields			
	18-Oct-23	17-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	12.11%	11.58%	(0.53%)
10 yrs: NGERIA 7.875 02/16/32	12.76%	12.32%	(0.44%)
15 yrs: NGERIA 7.696 23/02/38	12.92%	12.51%	(0.41%)
30 yrs: NGERIA 9.248 01/21/49	12.96%	12.59%	(0.37%)
7.125% ECOTRAN 16/02/26	12.80%	12.79%	(0.01%)

Source: FBN UK Runs for 18 October 2023

## Nigerian Equities

The Nigerian's equity market closed on a bullish note today, as the ASI appreciated by 0.04% to settle at 67,353.23 points, while year-to-date return settled at c.31.42%. Activity was mixed among the banks. The buying interests on UBA (+1.62%) and ZENITHBANK (+1.21%) supported the bullish bias, despite the selling interest on ACCESSCORP (-1.18%).

The NGX Banking and Oil & Gas Indices appreciated by 0.74% and 0.22%, respectively, while the Industrial Index lost 0.06%. WEMABANK led the volume charts with 88.99 million units while GTCO led the value charts with ₦828.48 million.

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

## Foreign Exchange

FMDQ's Investors and Exporters (I&E) exchange rate appreciated by 6.77% to \$/₦790.68 from \$/₦848.12 recorded yesterday.

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

## Commodities

Global oil prices rose today as the risk of escalating conflict in the Middle East threatened to disrupt oil supplies from the region, with Iran calling for an oil embargo to be imposed on Israel. Brent crude oil prices gained 1.45% to \$91.20 per barrel, while West Texas Intermediate (WTI) appreciated by 1.63% to US\$88.07 per barrel as of writing time. Similarly, Spot Gold appreciated 1.21% to US\$1,959.20 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
GUINEAINS	0.24	0.02	9.09%
ETERNA	14.80	0.95	6.86%
UNITYBNK	0.96	0.05	5.49%
JAIZBANK	1.60	0.08	5.26%
OMATEK	0.46	0.02	4.55%

Source: NGX, AICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CWCG	8.55	-0.95	-10.00%
RTBRISCOE	0.52	-0.05	-8.77%
AFRIPRUD	6.50	-0.50	-7.14%
FTNCOCOA	1.64	-0.11	-6.29%
NEIMETH	1.55	-0.10	-6.06%

Source: NGX, AICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.04%	↑ 0.38%	↑ 1.46%
NSE Banking Index	↑ 0.74%	↑ 5.57%	↑ 5.15%
NSE Insurance Index	↑ 0.27%	↓ -1.12%	↓ -2.18%
NSE Industrial Goods Index	↓ -0.06%	↓ -0.07%	↑ 3.51%
NSE Consumer Goods Index	→ 0.00%	↑ 1.09%	↑ 1.95%
NSE Oil & Gas Index	↑ 0.22%	↓ -0.04%	↑ 0.31%
			↑ 31.42%
			↑ 67.79%
			↑ 58.77%
			↑ 14.69%
			↑ 96.03%
			↑ 98.26%

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