

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity improved today with net additions of c. ₦164.93 billion to open at ₦495.09 billion compared to yesterday's opening balance. Accordingly, the Open Repo Rate (OPR) and the Overnight Rate (O/N) fell by 25bps and 30bps to 0.92% and 1.50%, respectively.

Outlook: We expect the interbank rates to stay within these levels tomorrow.

Treasury Bills

The treasury bills market witnessed mild activity today, with few buy-side interests observed mostly on March, July, and September 2024 papers. Nevertheless, average mid-rate closed flat at 5.89%.

Outlook: We expect a similar performance tomorrow.

FGN Bonds

The local bonds market also had a muted theme, with sideways interests witnessed across select maturities, particularly 2028, 2029, 2050 and 2053 papers. Overall, the average mid-yield remained unchanged at 14.53%.

Outlook: We expect the market to extend same sentiment at tomorrow's session.

Eurobonds

Activities in the Eurobonds market kept to its bearish course with further selloffs observed across major curves (SSA and MENA) in today's trading session. The ongoing geopolitical tensions in the Middle East are exerting downward pressure on risk appetite. While Western nations support Israel, Iran has intensified its anti-Israel rhetoric. Meanwhile, discussions within the Federal Reserve persist in favour of a "higher for longer" approach, though the central bank remains data-dependent in its assessment of the necessity for additional monetary restraint. Nevertheless, slight buying interests at end of the session led the average yield to remain unchanged at 12.60%.

Outlook: We expect market to maintain its bearish bias.

Date	Sys. Liq. (₦bn)	Diff.
19-Oct-23	495.09	↑ 164.93
18-Oct-23	330.16	

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 (-10.37% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*91.12 (-0.42% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	19-Oct-23	18-Oct-23	Change in Rates
49 days	3.92%	3.92%	(0.00%)
140 days	4.95%	4.95%	(0.00%)
294 days	9.12%	8.44%	(0.68%)

Source: FMDQ DQL for 19 October 2023

Benchmark FGN Bond Yields			
	19-Oct-23	18-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.23%	13.24%	+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	15.82%	15.83%	+0.01%

Source: FMDQ DQL for 19 October 2023

Benchmark FGN Eurobond Yields			
	19-Oct-23	18-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	12.21%	12.11%	(0.10%)
10 yrs: NGERIA 7.875 02/16/32	12.73%	12.76%	+0.03%
15 yrs: NGERIA 7.696 23/02/38	12.87%	12.92%	+0.05%
30 yrs: NGERIA 9.248 01/21/49	12.94%	12.96%	+0.02%
7.125% ECOTRAN 16/02/26	12.82%	12.80%	(0.02%)

Source: FBN UK Runs for 19 October 2023

Nigerian Equities

The Nigerian's equity market closed on a bearish note today, as the ASI depreciated by 0.38% to settle at 67,098.80 points, while year-to-date return settled at c.30.92%. The selling interests on STANBIC (-8.49%), FIDELITYBK (-2.94%) and ACCESSCORP (-2.39%) drove the bearish performance.

The NGX Banking, and Consumer Goods Indices depreciated by 1.04% and 0.28%, respectively, while the Industrial and Oil & Gas Indices stayed relatively flat. UBA led both the volume charts and value charts with 56.29 million units and ₦1.05 billion.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.01% to \$/₦782.68 from \$/₦790.68 recorded yesterday.

Outlook: *We expect rates volatility to persist.*

Commodities

Oil prices declined today as the United States eased sanctions on Venezuela to allow more oil to flow globally, but fears that Israel's military campaign in Gaza may escalate to a regional conflict kept a lid on losses. Brent crude oil prices fell by 1.05% to \$90.54 per barrel, while West Texas Intermediate (WTI) declined by 0.82% to US\$87.60 per barrel as of writing time. Similarly, Spot Gold appreciated 0.22% to US\$1,963.90 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
LEARNAFRCA	3.30	0.30	↑ 10.00%
DAARCOMM	0.23	0.02	↑ 9.52%
UPDC	1.35	0.10	↑ 8.00%
THOMASWY	3.30	0.21	↑ 6.80%
SUNUASSUR	1.12	0.07	↑ 6.67%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
MCNICHOLS	0.62	-0.06	↓ -8.82%
OMATEK	0.42	-0.04	↓ -8.70%
STANBIC	69.55	-6.45	↓ -8.49%
CHAMPION	3.41	-0.30	↓ -8.09%
IKEJAHOTEL	2.93	-0.22	↓ -6.98%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.38%	↑ 1.08%	↑ 30.92%
NSE Banking Index	↓ -1.04%	↑ 4.05%	↑ 66.04%
NSE Insurance Index	↓ -1.07%	↓ -3.23%	↑ 57.07%
NSE Industrial Goods Index	↑ 0.00%	↑ 3.51%	↑ 14.69%
NSE Consumer Goods Index	↓ -0.28%	↑ 1.66%	↑ 95.48%
NSE Oil & Gas Index	↓ 0.00%	↑ 0.31%	↑ 98.25%

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