

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

System liquidity experienced a decline, slipping into negative territory as it opened at -₦136.14 billion, contrasting with the ₦79.46 billion recorded last Friday. Consequently, the Open Repo Rate (OPR) increased by 227bps to 23.10% and the Overnight Rate (O/N) expanded by 168bps to 23.88%.

**Outlook:** We expect the interbank rates to remain at double-digit levels tomorrow.

### Treasury Bills

Despite the tight system liquidity, the treasury bills market displayed a bullish stance, driven by notable demand in the short and mid tenors, specifically for Jan, March, and May 2024 papers. This trend coincided with the second consecutive postponement of the MPC meeting by the CBN. As a result, the average mid-rate experienced a decrease of c.29bps, settling at 10.87%.

**Outlook:** We expect the bullish sentiment to persist.

### FGN Bonds

The FGN bonds market witnessed a downward adjustment in bid yields across the curve. Notably, significant buy-side interests were concentrated in 2026, 2038, and 2053 papers. Consequently, the average mid-yield contracted by c.9bps, settling at 16.28%.

**Outlook:** We expect the bullish reaction to spill into tomorrow's session.

### Eurobonds

In today's Eurobonds market session, a mixed performance was observed, characterized by a sustained bullish theme in the North African region and some bearishness in the SSA region. The average mid-yield across the Nigerian curve increased by 23bps to 10.84%. In a separate development, Zambia faced a significant setback in its debt restructuring efforts as the government announced that a revised deal to rework \$3 billion of Eurobonds could not be implemented at this time due to objections from official creditors, including China and France.

**Outlook:** We expect market to be stirred by the minutes of the U.S FOMC meeting tomorrow, pending any surprises.

Date	Sys. Liq. (₦'bn)	Diff.
20-Nov-23	-136.14	↓(215.60)
17-Nov-23	79.46	

Source: CBN

#### AIICO Money Market Fund (AMMF)

Net Yield (As at 17th November 2023) 13.6738%

Added Benefit Personal accident insurance cover

#### Macro Indicators

GDP (Q12023) +2.51% (Q2 2023: +2.31% y/y)

Inflation 27.33% (Sep'23: 26.72%)

External Reserve (US\$'billion) 33.32 (-10.13% YTD)

Monetary Policy Rate 18.75%

Cash Reserve Requirement (CRR) 32.50%

Brent Crude Price US\$/bbl \*82.38 (+2.20% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates	20-Nov-23	17-Nov-23	Change in Rates
66 days	8.43%	8.43%	(0.00%)
171 days	11.52%	11.52%	(0.00%)
297 days	14.16%	14.12%	(0.04%)

Source: FMDQ DQL for 20 November 2023

Benchmark FGN Bond Yields	20-Nov-23	17-Nov-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	15.45%	15.45%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	15.61%	15.61%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	16.89%	16.76%	(0.13%)
30 yrs: 12.98% 27-Mar-2050	17.71%	17.64%	(0.07%)

Source: FMDQ DQL for 20 November 2023

Benchmark FGN Eurobond Yields	20-Nov-23	17-Nov-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.26%	10.30%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	10.96%	10.91%	(0.05%)
15 yrs: NGERIA 7.696 23/02/38	11.30%	11.28%	(0.02%)
30 yrs: NGERIA 9.248 01/21/49	11.49%	11.51%	+0.02%
7.125% ECOTRAN 16/02/26	12.23%	12.30%	+0.07%

Source: FBN UK Runs for 20 November 2023

## Nigerian Equities

The Nigerian equity market slipped to a bearish theme, following selloffs seen on NB (-2.50%) and ZENITHBANK (-0.75%) amidst buy-side interests on OANDO (+3.42%). The All-Share Index (ASI) declined by 0.15%, settling at 71,008.70 points, resulting in a year-to-date return of 38.58%. Market activity was negative, showing 12.08% decline in total volume traded and an 27.21% plunge in total value traded.

The Banking and Consumer Goods Indices depreciated by 0.36% and 0.09%, respectively, while the Industrial and Oil & Gas Indices flattened. ACCESSCORP led the total volume charts with 25.58 million units while ZENITHBANK led in total value with ₦502.95 billion.

**Outlook:** *We expect the bearish sentiment to persist.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 5.55% (or ₦41.61) to \$/₦750.14 from \$/₦791.75 recorded last Friday.

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

## Commodities

Oil prices experienced positive momentum driven by expectations of a deepened supply cut by OPEC+ and concerns over Middle East supply disruption amid the Israel-Hamas conflict. Brent crude oil prices appreciated by 2.01% to \$82.23 per barrel, while West Texas Intermediate (WTI) gained 1.99%, reaching US\$77.40 per barrel at the time of the report. In contrast, Gold prices retreated from their two-week highs as investors awaited the minutes of the Federal Reserve's last meeting to gauge the U.S. central bank's policy stance, resulting in a 0.59% decline to US\$1,987.90 per ounce.

**Outlook:** *We expect oil prices to remain elevated in the interim.*

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
MECURE	6.30	0.57	9.95%
MULTIVERSE	3.99	0.36	9.92%
ABCTRANS	0.89	0.08	9.88%
CILEASING	5.47	0.49	9.84%
NNFM	26.25	2.35	9.83%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
RTBRISCOE	0.55	-0.06	-9.84%
PRESTIGE	0.50	-0.05	-9.09%
STANBIC	65.00	-4.95	-7.08%
CWG	7.70	-0.25	-3.14%
CAVERTON	1.40	-0.04	-2.78%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.15%	↑ 0.22%	↑ 38.55%
NSE Banking Index	↓ -0.36%	↑ 1.27%	↑ 73.78%
NSE Insurance Index	↑ 0.50%	↑ 6.00%	↑ 69.28%
NSE Industrial Goods Index	→ 0.00%	↓ -0.81%	↑ 17.10%
NSE Consumer Goods Index	↓ -0.09%	↑ 0.21%	↑ 95.53%
NSE Oil & Gas Index	→ 0.00%	↑ 5.60%	↑ 113.67%

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