

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity witnessed an improvement today but remained in the negative territory, opening at -₦97.71 billion, compared to yesterday's -₦136.14 billion. Consequently, the Open Repo Rate (OPR) declined by 17bps to 22.93% and the Overnight Rate (O/N) fell by 5bps to 23.83%.

Outlook: We expect the interbank rates to remain elevated.

Treasury Bills

In anticipation of tomorrow's NTB auction, the treasury bills market displayed a mixed to bullish performance. Offers were concentrated around the short end, while buyers showed interest at the long end of the curve. Overall, the average mid-rate experienced a decline of c.4bps, settling at 10.99%.

Outlook: We expect market to be skewed towards the NTB auction tomorrow, as the DMO would be offering treasury bills worth ₦211.71 billion.

FGN Bonds

The FGN bonds market witnessed a bullish theme, marked by notable buy-side interest focused on specific papers, particularly the 2026, 2028, 2038, and 2053 maturities. As a result, the average mid-yield closed c.3bps lower at 16.25%.

Outlook: We expect similar posture in tomorrow's session.

Eurobonds

In today's session, the Eurobonds market sustained a bullish trajectory driven by the anticipation of a less hawkish tone in the minutes of the last FOMC meeting. Buyers dominated the curve across SSA and MENA, including Nigeria's curve, leading to a notable decrease in the average mid-yield by c.16bps to 10.68%.

Outlook: We expect market sentiment to remain positive, as the FOMC minutes is likely to align with market expectations.

Date	Sys. Liq. (₦bn)	Diff.
21-Nov-23	-97.71	↑ 38.43
20-Nov-23	-136.14	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 20th November 2023)	13.5590%
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	*82.07 (-0.30% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates	21-Nov-23	20-Nov-23	Change in Rates
65 days	8.43%	8.43%	(0.00%)
170 days	11.52%	11.52%	(0.00%)
296 days	14.16%	14.16%	(0.00%)

Source: FMDQ DQL for 21 November 2023

Benchmark FGN Bond Yields	21-Nov-23	20-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%	16.89%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	17.71%	17.71%	(0.00%)

Source: FMDQ DQL for 21 November 2023

Benchmark FGN Eurobond Yields	21-Nov-23	20-Nov-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.97%	10.26%	+0.29%
10 yrs: NGERIA 7.875 02/16/32	10.78%	10.96%	+0.18%
15 yrs: NGERIA 7.696 23/02/38	11.15%	11.30%	+0.15%
30 yrs: NGERIA 9.248 01/21/49	11.38%	11.49%	+0.11%
7.125% ECOTRAN 16/02/26	12.17%	12.23%	+0.06%

Source: FBN UK Runs for 21 November 2023

Nigerian Equities

The Nigerian equity market gained today, following buying interests across several tickers, despite attempted pullback in OANDO (-3.72%). The All-Share Index (ASI) appreciated by 0.08%, settling at 71,066.64 points, resulting in a year-to-date return of 38.66%. Market activity was mixed, showing 37.09% increase in total volume traded and 26.07% 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. UNITYBANK led the total volume charts with 75.44 million units while VFDGROUP led in total value with ₦481.81 billion.

Outlook: *We expect market to remain mixed.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 9.73% (or ₦80.83) to \$/₦830.97 from \$/₦750.14 recorded yesterday.

Outlook: *We expect the volatility to persist.*

Commodities

Oil fell today, reversing steep gains made in the past two sessions, as investors turned cautious ahead of a meeting of OPEC+ this Sunday when the producer group may discuss deepening supply cuts due to slowing global growth. Brent crude oil prices depreciated by 0.47% to \$81.93 per barrel, while West Texas Intermediate (WTI) lost 0.48%, to US\$77.45 per barrel at the time of the report. In contrast, Gold prices increased following weaker Dollar, adding 1.17% to US\$2,003.20 per ounce.

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

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
LEARNAFRCA	3.08	0.28	10.00%
MECURE	6.93	0.63	10.00%
NNFM	28.85	2.60	9.90%
CADBURY	15.15	1.35	9.78%
MULTIVERSE	4.38	0.39	9.77%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CHAMPION	3.24	-0.36	-10.00%
OANDO	11.65	-0.45	-3.72%
INTBREW	4.50	-0.10	-2.17%
FCMB	6.80	-0.10	-1.45%
JAIZBANK	1.60	-0.02	-1.23%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	0.08%	0.32%	38.66%
NSE Banking Index	-0.36%	-1.82%	73.15%
NSE Insurance Index	0.50%	1.78%	70.13%
NSE Industrial Goods Index	0.00%	0.76%	17.10%
NSE Consumer Goods Index	-0.09%	0.19%	95.36%
NSE Oil & Gas Index	0.00%	3.53%	113.67%

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