

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

System liquidity fell slightly by 3.10% to c.₦238.85 billion from ₦246.50 billion recorded last Friday. Accordingly, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 36bps and 30bps to 1.86% and 2.50%, respectively.

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

### Treasury Bills

The treasury bills market closed on a bullish note, as average mid-rate fell by 3bps to settle at 5.86%. Bids were mostly seen across August and September 2024 papers.

**Outlook:** We expect the bullish bias to persist tomorrow at similar momentum.

### FGN Bonds

Activity in the local bonds market improved today, with some interests seen on the 2026 and 2053 papers. Overall, market maintained a mixed sentiment but closed on a bearish note, as the average mid-yield increased by 1bp to 15.01%.

**Outlook:** We expect similar trend to resurface tomorrow.

### Eurobonds

The Eurobonds market witnessed a mixed theme with mild buyside interests observed across Nigeria and Angola papers, supported by elevated Oil prices. However, Ghana and Egypt curves endured a bearish theme, amid the current debt restructuring talks for external bond holders and S&P Global Ratings recent downgrade of the latter's long-term foreign and local currency sovereign credit ratings to 'B-' from 'B'. Overall, the average mid-yield across the Nigerian curve lost 8bps to settle at 12.47%.

**Outlook:** We expect market to maintain its bearish bias.

Date	Sys. Liq. (₦bn)	Diff.
23-Oct-23	238.85	↓ (7.65)
20-Oct-23	246.50	

Source: CBN

### AIICO Money Market Fund (AMMF)

Net Yield (As at 20th October 2023)	13.2345%
Added Benefit	Personal accident insurance cover
<b>Macro Indicators</b>	
GDP (Q12023)	+2.51% (Q2 2023: +2.31% y/y)
Inflation	26.72% (Aug'23: 25.80%)
External Reserve (US\$'billion)	33.26 (-10.32% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*90.09 (-2.25% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	23-Oct-23	20-Oct-23	Change in Rates
45 days	3.92%	3.92%	(0.00%)
136 days	4.95%	4.95%	(0.00%)
290 days	9.12%	9.12%	(0.00%)

Source: FMDQ DQL for 23 October 2023

Benchmark FGN Bond Yields			
	23-Oct-23	20-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.22%	13.23%	+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%	15.82%	(0.00%)

Source: FMDQ DQL for 23 October 2023

Benchmark FGN Eurobond Yields			
	23-Oct-23	20-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.99%	11.99%	(0.00%)
10 yrs: NGERIA 7.875 02/16/32	12.55%	12.67%	+0.12%
15 yrs: NGERIA 7.696 23/02/38	12.77%	12.90%	+0.13%
30 yrs: NGERIA 9.248 01/21/49	12.81%	12.92%	+0.11%
7.125% ECOTRAN 16/02/26	12.76%	12.76%	(0.00%)

Source: FBN UK Runs for 23 October 2023

## Nigerian Equities

The Nigerian's equity market closed on a bearish note today, as the ASI depreciated by 0.06% to settle at 66,876.92 points, while year-to-date return settled at c.30.49%. The selling interests on DANGSUGAR (-3.94%), FCMB (-1.67%) and GTCO (-0.85%) drove the bearish performance.

The NGX Consumer Goods Index depreciated by 0.30%. Conversely, the Banking Index gained 0.44%. The Industrial and Oil & Gas Indies closed flat. UBA led the volume charts with 47.15 million units while GTCO led the value charts with ₦959.25 million.

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

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.85% to \$/₦793.34 from \$/₦808.27 recorded last Friday.

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

## Commodities

Oil prices slipped today as investors continued to focus on the situation in the Middle East, where diplomatic efforts are intensifying in an attempt to contain the conflict between Israel and Hamas. Brent crude oil prices fell by 0.53% to \$91.67 per barrel, while West Texas Intermediate (WTI) declined by 0.85% to US\$87.33 per barrel as of writing time. Similarly, Spot Gold declined 0.29% to US\$1,899.60 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
THOMASWY	3.99	0.36	9.92%
ACADEMY	1.92	0.17	9.71%
IKEJAHOTEL	3.45	0.30	9.52%
CHAMS	1.60	0.11	7.38%
TANTALIZER	0.31	0.02	6.90%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
VFDGROUP	242.40	-26.90	-9.99%
MCNICHOLS	0.56	-0.06	-9.68%
UPL	2.14	-0.22	-9.32%
CHIPLC	1.09	-0.06	-5.22%
OMATEK	0.43	-0.02	-4.44%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.06%	↓ -0.24%	↑ 0.75%
NSE Banking Index	↑ 0.44%	↑ 3.01%	↑ 4.64%
NSE Insurance Index	↑ 0.68%	↑ 0.15%	↓ -2.49%
NSE Industrial Goods Index	→ 0.00%	↓ -0.01%	↑ 3.51%
NSE Consumer Goods Index	↓ -0.30%	↓ -1.13%	↑ 0.80%
NSE Oil & Gas Index	→ 0.00%	↑ 0.25%	↑ 0.31%

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