

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity declined by 17.22% to c.₦197.73 billion from ₦238.85 billion recorded yesterday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 114bps and 110bps to 3.00% and 3.60%, respectively.

Outlook: We expect the interbank rates to increased tomorrow.

Treasury Bills

In today's session, bids consistently exceeded available offers, prompting sellers to raise their offers. Interest primarily centered around March and September 2024 papers. Overall, the treasury bills market experienced a fairly negative theme, as the average mid-rate rose by 2bps to settle at 6.05%.

Outlook: We expect the focus to tilt to the NTB auction tomorrow, where the DMO will be offering c.₦108.13 billion worth of treasury bills.

FGN Bonds

The local bonds market displayed a mixed performance today, with initial buying interest giving way to bearish sentiments towards midday, notably in specific maturities including 2026, 2037, and 2053. Thus, the average mid-yield saw a marginal increase of 1bp, closing at 15.02% by the end of the session.

Outlook: We expect market to trade sideways tomorrow.

Eurobonds

The Eurobonds market had an unexpected bullish start, with renewed buying interest in sovereign and corporate SSA and MENA papers. Short covering and a rush from traditional buyers, particularly local players, to lock-in funds at these attractively high yields led to the price appreciation across majority of the papers. This buying trend was further bolstered by favourable services and manufacturing PMI data from S&P. As a result, the average mid-yield for Nigerian bonds fell by 856 basis points, ending the session at 11.88%.

Outlook: We expect the bullish sentiment to sustain tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
24-Oct-23	197.73	↓ (41.12)
23-Oct-23	238.85	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 23rd October 2023)	12.9977%
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)	33.26 (-10.32% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*88.68 (-2.39% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	24-Oct-23	23-Oct-23	Change in Rates
44 days	3.92%	3.92%	(0.00%)
135 days	4.95%	4.95%	(0.00%)
289 days	9.12%	9.12%	(0.00%)

Source: FMDQ DQL for 24 October 2023

Benchmark FGN Bond Yields			
	24-Oct-23	23-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.22%	13.22%	(0.00%)
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 24 October 2023

Benchmark FGN Eurobond Yields			
	24-Oct-23	23-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.51%	11.99%	+0.48%
10 yrs: NGERIA 7.875 02/16/32	12.01%	12.55%	+0.54%
15 yrs: NGERIA 7.696 23/02/38	12.26%	12.77%	+0.51%
30 yrs: NGERIA 9.248 01/21/49	12.34%	12.81%	+0.47%
7.125% ECOTRAN 16/02/26	12.63%	12.76%	+0.13%

Source: FBN UK Runs for 24 October 2023

Nigerian Equities

The Nigerian equity market experienced a bullish day driven by significant buying activity in GEREGU (+9.05%) and GTCO (+2.7%). This led to the All-Share Index (ASI) rising by 0.51% to close at 67,217.77 points, with a year-to-date return of approximately 31.15%. The market also saw positive trading activity, with a 1.68% increase in volume and a substantial 44.26% surge in the total value traded.

The Banking and Consumer Goods Indices gained 1.44% and 0.54%, respectively, while the Industrial and Oil & Gas Indices flattened. ACCESSCORP topped the volume charts with 50.78 million units while GTCO led the value charts with ₦1.50 billion.

Outlook: We expect market sentiment to continue to trade sideways.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 6.42% to \$/₦847.77 from \$/₦793.34 recorded yesterday.

Outlook: We expect rates volatility to persist.

Commodities

Oil prices was mixed today, despite worries that the Israel-Hamas war could escalate into a wider conflict in the oil-exporting region. Brent crude oil prices fell by 2.01% to \$88.02 per barrel, while West Texas Intermediate (WTI) declined by 2.23% to US\$82.58 per barrel as of writing time. Similarly, Spot Gold declined by 0.72% to US\$1,973.60 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
FLOURMILL	31.00	2.80 ↑	9.93%
UPL	2.35	0.21 ↑	9.81%
CHAMS	1.75	0.15 ↑	9.37%
GEREGU	343.50	28.50 ↑	9.05%
THOMASWY	4.35	0.36 ↑	9.02%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
VFDGROUP	218.20	-24.20 ↓	-9.98%
ABCTRANS	0.73	-0.08 ↓	-9.88%
FTNCOCOA	1.56	-0.06 ↓	-3.70%
NGXGROUP	21.00	-0.80 ↓	-3.67%
VITAFOAM	22.45	-0.80 ↓	-3.44%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.51%	↓ -0.16%	↑ 1.26%
NSE Banking Index	↑ 1.44%	↑ 1.70%	↑ 6.15%
NSE Insurance Index	↓ -0.46%	↓ -0.51%	↓ -2.94%
NSE Industrial Goods Index	→ 0.00%	↓ -0.06%	↑ 3.51%
NSE Consumer Goods Index	↑ 0.54%	↓ -0.59%	↑ 1.35%
NSE Oil & Gas Index	→ 0.00%	↑ 0.22%	↑ 0.31%
			↑ 31.15%
			↑ 69.39%
			↑ 57.53%
			↑ 14.69%
			↑ 94.87%
			↑ 98.25%

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