

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity increased by 28.87% to c.₦254.80 billion from ₦197.73 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 50bps and 60bps to 3.50% and 4.20%, respectively.

Outlook: We expect the interbank rates to ease on the back of FAAC credits and coupon inflows.

Treasury Bills

The treasury bills market traded sideways today, but at a less aggressive pace, as players tilted focus to the NTB auction. Thus, the average mid-rate closed flat at 6.05%.

Outlook: We expect buy-side interest to grow stronger as liquidity improves in the mid-term.

FGN Bonds

The local bonds closed on a bearish note today, as selling interests on liquid papers persisted. As a result, the average mid-yield increased by 5bps to close at 15.05%.

Outlook: We expect the market to remain mixed to bearish in the interim.

Eurobonds

The Eurobonds market maintained its bullish course today, as short covering and cherry-picking activities persisted. Overall, the African curves closed on a positive note, with the average mid-yield across Nigerian papers ending the session at 11.88%.

Outlook: We expect the US economic indicators to be at the forefront of market drivers in the interim, subject to the changing narrative of the war in the middle east region.

Date	Sys. Liq. (₦bn)	Diff.
25-Oct-23	254.81	↑ 57.08
24-Oct-23	197.73	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 24th October 2023)	13.4708%
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)	33.28 (-10.24% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*88.59 (+0.59% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates	25-Oct-23	24-Oct-23	Change in Rates
43 days	3.92%	3.92%	(0.00%)
134 days	6.10%	4.95%	(1.15%)
288 days	8.69%	9.12%	+0.43%

Source: FMDQ DQL for 25 October 2023

Benchmark FGN Bond Yields	25-Oct-23	24-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 25 October 2023

Benchmark FGN Eurobond Yields	25-Oct-23	24-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.43%	11.51%	+0.08%
10 yrs: NGERIA 7.875 02/16/32	11.98%	12.01%	+0.03%
15 yrs: NGERIA 7.696 23/02/38	12.26%	12.26%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	12.32%	12.34%	+0.02%
7.125% ECOTRAN 16/02/26	12.57%	12.63%	+0.06%

Source: FBN UK Runs for 25 October 2023

Nigerian Equities

The Nigerian equity market closed relatively bearish, as selloffs in UBA (-5.78%) was dwarfed by gained in GERUGU (+7.71%). Consequently, the All-Share Index (ASI) lost 0.02% to close at 67,206.16 points, with a year-to-date return of approximately 31.13%. The market activity was mixed, as total volume traded increased by 3.05% while total value traded fell by 30.32%.

The Banking and Consumer Goods Indices depreciated by 0.88% and 0.16%, respectively, while the Industrial and Oil & Gas Indices lost 0.10% and 0.24%, respectively. FIDELITYBK topped the volume charts with 50.32 million units while GTCO led the value charts with ₦733.79 billion.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 5.83% to \$/₦801.10 from \$/₦847.77 recorded yesterday.

Outlook: We expect rates volatility to persist.

Commodities

Oil prices declined softly today, as concerns about war escalating in the Middle East offset demand worries stemming from gloomy economic prospects in Europe.. Brent crude oil prices fell by 0.10% to \$87.98 per barrel, while West Texas Intermediate (WTI) declined by 0.47% to US\$83.35 per barrel as of writing time. Similarly, Spot Gold declined by 0.03% to US\$1,986.60 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
MULTIVERSE	2.93	0.26	9.74%
CHAMS	1.92	0.17	9.71%
CAVERTON	1.52	0.13	9.35%
FTNCOCOA	1.70	0.14	8.97%
GEREGU	370.00	26.50	7.71%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
ETRANZACT	7.56	-0.84	-10.00%
SUNUASSUR	0.99	-0.11	-10.00%
DEAPCAP	0.25	-0.02	-7.41%
ETERNA	13.75	-1.05	-7.09%
UBA	18.75	-1.15	-5.78%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	-0.02%	1.24%	31.13%
NSE Banking Index	-0.88%	5.22%	67.90%
NSE Insurance Index	-0.62%	-3.55%	56.55%
NSE Industrial Goods Index	-0.10%	3.41%	14.58%
NSE Consumer Goods Index	-0.16%	1.19%	94.56%
NSE Oil & Gas Index	-0.24%	0.07%	97.77%

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