

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity was boosted by FAAC and coupon credits, as it increased by 107.42% to c.₦528.51 billion from ₦254.80 billion recorded yesterday. Although, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 833bps and 805bps to 11.83% and 12.25%, respectively.

Outlook: We expect the interbank rates to maintain similar levels tomorrow.

Treasury Bills

The treasury bills market closed on a bearish note across the curve, as market repriced quotes following yesterday's surge in rates at the primary market. Consequently, the average mid-rate surged by more than 400 bps, ultimately settling at 10.27%.

Outlook: We expect market to stay mixed tomorrow, as improved system liquidity should encourage some investors to cherry-pick.

FGN Bonds

The local bonds also reacted to the sharp rise in rates witnessed in the treasury bills market, with most impact seen in short-dated papers. Although, some minimal buyside interests were observed at the belly and long end of the curve. Overall, the average mid-yield increased by 15bps to close at 15.18%.

Outlook: We expect the bearish sentiment to persist tomorrow.

Eurobonds

The Eurobonds market took a bearish turn today, with widespread mild selling activity across the African curves, although Ghana's bonds attracted some limited buying interest. Additionally, the US GDP for Q3'23 exceeded expectations, growing at 4.90% compared to a consensus estimate of 4.70%, with other economic indicators remaining robust. Overall, the Nigerian curve ended the session on a bearish note, with the average mid-yield increasing by 7bps to settle at 11.95%.

Outlook: The market's attention is expected to shift towards the US PCE Price Index tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
26-Oct-23	528.51	↑273.70
25-Oct-23	254.81	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 25th October 2023)	13.5188%
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)	33.29 (-10.21% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*88.62 (-1.62% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates	26-Oct-23	25-Oct-23	Change in Rates
42 days	3.94%	3.92%	(0.02%)
133 days	6.24%	6.10%	(0.14%)
287 days	8.69%	8.69%	(0.00%)

Source: FMDQ DQL for 26 October 2023

Benchmark FGN Bond Yields	26-Oct-23	25-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.98%	13.22%	(0.76%)
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	16.32%	15.82%	(0.50%)

Source: FMDQ DQL for 26 October 2023

Benchmark FGN Eurobond Yields	26-Oct-23	25-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.48%	11.43%	(0.05%)
10 yrs: NGERIA 7.875 02/16/32	12.12%	11.98%	(0.14%)
15 yrs: NGERIA 7.696 23/02/38	12.31%	12.26%	(0.05%)
30 yrs: NGERIA 9.248 01/21/49	12.40%	12.32%	(0.08%)
7.125% ECOTRAN 16/02/26	12.86%	12.57%	(0.29%)

Source: FBN UK Runs for 26 October 2023

Nigerian Equities

The Nigerian equity market slipped to a bearish close, due to selloffs in STANBIC (-3.21%) and GTCO (-1.55%). Thus, the All-Share Index (ASI) lost 0.18% to close at 67,084.95 points, with a year-to-date return of approximately 30.89%. The market activity was mixed, as total volume traded declined by 18.81% while total value traded increased by 15.88%.

The Banking Index depreciated by 0.33%, while the Consumer Goods Index gained 0.12%. The Industrial and Oil & Gas Indices closed flat. FIDELITYBK topped the volume charts with 39.83 million units while NESTLE led the value charts with ₦1.75 billion

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 4.35% to \$/₦837.49 from \$/₦801.10 recorded yesterday.

Outlook: We expect rates volatility to persist.

Commodities

Oil prices declined today after a rise in U.S. crude stockpiles signalled waning demand, and concerns about the economic outlook drove a broader sell-off in global equities. Brent crude oil prices fell by 1.26% to \$88.99 per barrel, while West Texas Intermediate (WTI) declined by 1.73% to US\$83.94 per barrel as of writing time. Similarly, Spot Gold declined by 0.27% to US\$1,989.50 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
MCNICHOLS	0.61	0.05	8.93%
UACN	12.20	0.70	6.09%
OANDO	8.95	0.35	4.07%
CHAMS	1.99	0.07	3.65%
NESTLE	1050.00	30.00	2.94%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.27	-0.03	-10.00%
CWG	7.70	-0.85	-9.94%
THOMASWY	4.03	-0.44	-9.84%
INTBREW	4.15	-0.45	-9.78%
UNIVINSURE	0.22	-0.02	-8.33%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.18%	↑ 1.06%	↑ 30.90%
NSE Banking Index	↓ -0.33%	↑ 4.65%	↑ 67.00%
NSE Insurance Index	↓ -1.82%	↓ -5.30%	↑ 53.70%
NSE Industrial Goods Index	→ 0.00%	↑ 3.41%	↑ 14.58%
NSE Consumer Goods Index	↑ 0.12%	↑ 1.31%	↑ 94.79%
NSE Oil & Gas Index	→ 0.00%	↑ 0.07%	↑ 97.78%

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