

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

There was a significant improvement in system liquidity, driven by inflows from FAAC. It opened positively at approximately ₦106.89 billion, a significant turnaround from the -₦186.43 billion recorded the previous Friday. As a result, both the Open Repo Rate (OPR) and the Overnight Rate (O/N) experienced downward adjustments, declining by 542bps and 533 bps to 18.33% and 19.25%, respectively.

Outlook: We expect the interbank rates to remain at similar levels barring any significant driver.

Treasury Bills

The treasury bills market observed a mixed to bullish trading pattern. Buyers were notably active in the short and mid tenors, particularly for papers maturing in March 2024. Conversely, some selling activity was observed at the long end of the curve, specifically for the 21-Nov-2024 tenor. Despite these fluctuations, the average mid-rate remained relatively stable, holding at 9.98%.

Outlook: We anticipate a similar sentiment tomorrow, even as market players continue to digest the recent speech by the CBN governor.

FGN Bonds

The FGN bonds market witnessed sideways interest across select maturities, especially 2029, 2033 and 2053 papers. Overall, the average mid-yield increased by 2bps to close at 16.04%.

Outlook: We expect the mixed sentiment to persist.

Eurobonds

In today's Eurobonds market, there was a mixed to bearish trend with notable selling activities, particularly in bonds from Egypt, Angola, Ghana, and a few Nigerian papers. The market sentiment was influenced partly by concerns about China's economy, signalling to investors a challenging path to recovery. As a result, the average mid-yield for Nigerian papers experienced a marginal expansion, increasing by c.2bps to reach 10.73%. Additionally, in a separate development, the Bank of Ghana decided to maintain its benchmark interest rate at 30%, aligning with market expectations.

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

Date	Sys. Liq. (₦'bn)	Diff.
27-Nov-23	106.89	↑ 293.32
24-Nov-23	(186.43)	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 26th November 2023)	13.5038%
Added Benefit	Personal accident insurance cover

Macro Indicators	
GDP (Q3 2023)	+2.54% (Q2: 2023 +2.51% y/y)
Inflation (October'2023)	27.33% (Sep'23: 26.72%)
External Reserve (US\$'billion)	33.32 (-10.40% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*80.51 (-1.77% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	27-Nov-23	24-Nov-23	Change in Rates
59 days	6.84%	6.84%	(0.00%)
164 days	9.86%	9.45%	(0.41%)
283 days	12.34%	12.34%	(0.00%)

Source: FMDQ DQL for 27 November 2023

Benchmark FGN Bond Yields			
	27-Nov-23	24-Nov-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	15.44%	15.45%	+0.01%
10 yrs: 12.50% 27-Apr-2032	16.13%	16.13%	(0.00%)
15 yrs: 13.00% 21-Jan-2042	16.88%	16.87%	(0.01%)
30 yrs: 12.98% 27-Mar-2050	17.49%	17.49%	(0.00%)

Source: FMDQ DQL for 27 November 2023

Benchmark FGN Eurobond Yields			
	27-Nov-23	24-Nov-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.11%	9.98%	(0.13%)
10 yrs: NGERIA 7.875 02/16/32	10.86%	10.89%	+0.03%
15 yrs: NGERIA 7.696 23/02/38	11.21%	11.21%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	11.42%	11.40%	(0.02%)
7.125% ECOTRAN 16/02/26	12.27%	12.13%	(0.14%)

Source: FBN UK Runs for 27 November 2023

Nigerian Equities

The Nigerian equity market concluded on a bullish note, reaching new highs with notable buying interest in select stocks. The All-Share Index (ASI) experienced a 0.17% appreciation, closing at 71,353.89 points and achieving a year-to-date return of 39.22%. This bullish trend was primarily fuelled by local buyers' demand for banking stocks, contributing to an overall positive activity level. The total volume and value traded amounted to approximately ₦742.64 million and ₦5.9 billion, representing a 25.4% and 32.70% growth, respectively.

While the performance was mixed across sectors, the Banking and Industrial Goods Indices saw gains of 1.71% and 0.01%, driven by the positive performance of FBNH (+10.00%), STERLING (+5.10%), and WAPCO (+0.20%). Conversely, selling interests in BUAFOODS (-1.90%), FLOURMILL (-1.10%), ETRANZACT (-9.50%), and CHAMS (-0.50%) led to a 0.99% decline in the Consumer Goods Index. In terms of trading activity, UNIVINSURE led the total volume charts with 161.10 million units, while ACCESSBANK led in total value with ₦1.47 billion traded.

Outlook: We expect the market to sustain its buyside momentum.

Foreign Exchange

In the foreign exchange market, FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) experienced a depreciation of 2.48%. The exchange rate moved from \$/₦794.89, as recorded the previous Friday, to \$/₦814.6.

Outlook: We expect the volatility to persist.

Commodities

Oil prices showed volatility as investors awaited the upcoming OPEC+ meeting scheduled later in the week. The anticipation was for an agreement that would likely restrict oil supplies into 2024. At the time of the report, Brent crude oil prices were at \$80.20 per barrel, while West Texas Intermediate (WTI) stood at US\$75.23 per barrel. In a different market movement, gold reached a six-month high driven by a softer dollar and expectations of a pause in the Federal Reserve's monetary tightening. These factors contributed to bullion consolidating above the crucial \$2,000 an ounce level.

Outlook: We expect oil prices to remain volatile as the market anticipates the all-important OPEC+ meeting this week.

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
JOHNHOLT	1.87	0.17	↑ 10.00%
TANTALIZER	0.55	0.05	↑ 10.00%
FBNH	22.00	2.00	↑ 10.00%
MULTIVERSE	6.39	0.58	↑ 9.98%
SUNUASSUR	1.24	0.11	↑ 9.73%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
ETRANZACT	6.70	-0.74	↓ -9.89%
UNITYBNK	1.67	-0.17	↓ -9.17%
OMATEK	0.90	-0.05	↓ -5.56%
RTBRISCOE	0.61	-0.04	↓ -5.56%
GUINEAINS	0.32	-0.01	↓ -4.11%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.17%	↑ 3.06%	↑ 39.22%
NSE Banking Index	↑ 1.71%	↑ 5.38%	↑ 80.83%
NSE Insurance Index	↑ 0.00%	↑ 9.78%	↑ 75.31%
NSE Industrial Goods Index	↑ 0.01%	↓ -0.76%	↑ 17.16%
NSE Consumer Goods Index	↓ -0.99%	↓ -1.22%	↑ 92.74%
NSE Oil & Gas Index	→ 0.00%	↑ 5.60%	↑ 113.67%

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