

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

System liquidity opened c.₦173.77 billion positive, an improvement from yesterday's opening position of ₦106.89 billion. Thus, the Open Repo Rate (OPR) and the Overnight Rate (O/N) witnessed downward adjustments, declining by 225bps and 208bps to 16.08% and 17.17%, respectively.

**Outlook:** Interbank rates should maintain current levels in the interim.

### Treasury Bills

Buyside interest dominated the treasury bills market, particularly at the long end of the curve with the 21-Nov-2024 paper being favoured by investors. However, slight selling was observed on select maturities like February 2024 papers. Nonetheless, the overall effect of the bullish theme ensured the average mid-rate dipped by c.43bps to settle at 9.56%. In addition, the CBN today, released the Q1 2024 NTB issuance calendar (Dec 2023 – Feb 2024), with c.₦1.15 trillion of treasury bills expected to be issued over this period.

**Outlook:** A similar market posture is expected at tomorrow's session, albeit few month-end profit taking may improve the yields slightly.

### FGN Bonds

Generally, the theme at today's FGN bonds trading session was bullish, with most of the interest skewed to 2029, 2032, 2034, 2036, 2038 and 2053 papers, though there were pockets of selling interest on 2026 and 2033 papers. Overall, the average mid-yield closed c.5bps lower to print at 15.99%.

**Outlook:** The buying interest should persist though on a cautious note.

### Eurobonds

The Eurobonds market experienced a mixed to bearish session, characterized by mild selloffs in several African countries, including Nigeria and Egypt. However, there were slight positive sentiments in the Ghanaian market, attributed to reassurances from the Bank of Ghana Governor, Ernest Addison. He emphasized that Ghana does not anticipate facing similar challenges to Zambia in its debt restructuring talks. Overall, the average mid-yield across Nigerian papers increased by c.4bps to settle at 10.77%

In a separate development, Kenya has decided to abandon plans to access international capital markets during the current fiscal year. This decision is attributed to the perceived high cost of dollar debt. Instead, Kenya intends to pursue more cost-effective concessional funding alternatives.

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

Date	Sys. Liq. (₦'bn)	Diff.
28-Nov-23	173.77	↑ 66.88
27-Nov-23	106.89	

Source: CBN

### AiCO Money Market Fund (AMMF)

(As of 27th November 2023)	13.5266%
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, AiCO Capital

Benchmark T-Bills Discount Rates	28-Nov-23	27-Nov-23	Change in Rates
58 days	5.00%	6.84%	+1.84%
163 days	9.86%	9.86%	(0.00%)
282 days	11.97%	12.34%	+0.37%

Source: FMDQ DQL for 28 November 2023

Benchmark FGN Bond Yields	28-Nov-23	27-Nov-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	14.31%	15.44%	+1.13%
10 yrs: 12.50% 27-Apr-2032	16.13%	16.13%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	16.87%	16.88%	+0.01%
30 yrs: 12.98% 27-Mar-2050	17.49%	17.49%	(0.00%)

Source: FMDQ DQL for 28 November 2023

Benchmark FGN Eurobond Yields	28-Nov-23	27-Nov-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.11%	10.11%	(0.00%)
10 yrs: NGERIA 7.875 02/16/32	10.92%	10.86%	(0.06%)
15 yrs: NGERIA 7.696 23/02/38	11.23%	11.21%	(0.02%)
30 yrs: NGERIA 9.248 01/21/49	11.44%	11.42%	(0.02%)
7.125% ECOTRAN 16/02/26	12.28%	12.27%	(0.01%)

Source: FBN UK Runs for 28 November 2023

## Nigerian Equities

The local stock market closed on a bearish note, reversing recent gains achieved in the preceding days. The decline was attributed to profit-taking activities, particularly in large-cap stocks such as DANGCEM (-2.44%), BUACEMENT (-8.50%), ACCESSCORP (-0.55%), GTCO (-0.90%), ZENITHBANK (-0.42%), and STANBIC (-3.08%). Trading activity saw a decrease, with total volume and value traded declining by 28.4% and 5.50%, respectively. The figures stood at ₦534.6 million in volume and ₦5.6 billion in value. ACCESSCORP led both the volume and value charts with 52.36 million units traded and ₦942.76 million in value.

In terms of sectoral performance, there was an overall bearish trend. The Insurance and Industrial goods indices experienced declines of 1.27% and 1.25%, respectively, influenced by negative movements in BUACEMENT, DANGCEM, and SOVRENIN (-8.70%). On the other hand, the Banking and Consumer goods indices recorded marginal gains of 0.06% and 0.04%, driven by increased buying interest in UBA (+1.18%), UNILEVER (+4.90%), and ETI (+3.10%).

**Outlook:** *Tomorrow's activity should remain tilted to the bears.*

## Foreign Exchange

In the foreign exchange market, FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) witnessed a significant depreciation of 8.26%. The exchange rate shifted from \$/₦814.60, as reported the previous Friday, to \$/₦881.88.

**Outlook:** *The Naira volatility is expected to persist amid current demand and supply dynamics.*

## Commodities

Oil prices experienced an increase, with the Brent benchmark surpassing \$80 per barrel. This uptick was driven by expectations that the OPEC+ producer group might deepen and extend output cuts in response to concerns about softer global demand. As of the report, Brent crude oil prices reached \$81.86 per barrel, while West Texas Intermediate (WTI) stood at US\$76.71 per barrel. In a similar vein, Gold maintained its position on Tuesday, having reached a six-month peak. This was supported by the anticipation that the U.S. Federal Reserve has concluded its interest rate hikes, coupled with the upcoming release of crucial economic data. Spot gold slightly rose to \$2,036.10 per ounce at the time of the report.

**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
NSLTECH	0.66	0.06	↑	10.00%
SUNUASSUR	1.36	0.12	↑	9.68%
ROYALEX	0.67	0.04	↑	6.35%
TANTALIZER	0.58	0.03	↑	5.45%
UNILEVER	15.00	0.70	↑	4.90%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
OMATEK	0.81	-0.09	↓	-10.00%
IKEJAHOTEL	4.20	-0.46	↓	-9.87%
NEIMETH	2.01	-0.22	↓	-9.87%
WAPIC	0.65	-0.07	↓	-9.72%
CWG	6.90	-0.72	↓	-9.45%

Source: NGX, AIICO Capital

Indices	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.44%	↓ -0.04%	↑ 2.61%	↑ 38.61%
NSE Banking Index	↑ 0.06%	↑ 3.64%	↑ 5.44%	↑ 80.93%
NSE Insurance Index	↓ -1.27%	↑ 0.11%	↑ 8.39%	↑ 73.08%
NSE Industrial Goods Index	↓ -1.25%	↓ -1.28%	↓ -2.00%	↑ 15.69%
NSE Consumer Goods Index	↑ 0.04%	↓ -1.35%	↓ -1.18%	↑ 92.82%
NSE Oil & Gas Index	→ 0.00%	→ 0.00%	↑ 5.60%	↑ 113.67%

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