

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity opened at c.₦963.79 billion, rising by 13.50% from ₦849.18 billion recorded last Friday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 90bps and 119bps to 15.30% and 15.94%, respectively.

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

Treasury Bills

The treasury bills market trended on a bearish course, as offers occupied the market with scarcity of bids. This was due to the OMO auction held today, where ₦400bn OMO bills were offered and sold across four tenors – 99-Day, 183-Day, 267-Day, and 365-Day papers, issued at 13.99%, 14.49%, 15.00% and 17.50%, respectively. Consequently, the average mid-rate increased by 29bps to 10.60%.

Outlook: We expect the market to stay mixed tomorrow, as players will reprice the bills amid the recent OMO issuance.

FGN Bonds

The local bonds market traded mixed to bearish across several papers, including the 2029, 2033, 2038 and 2053 papers amongst others. However, the OMO auction announcement caused a muted theme overall, as players were keen to see the yields at which the bills will be issued. As a result, the average mid-yield increased by 17bps to close at 15.39%.

Outlook: We expect the bearish sentiment to persist tomorrow.

Eurobonds

The Eurobonds market sustained its bullish momentum across the SSA and MENA curves, even as investors position for the key market indicators later in the week. Overall, the Nigerian curve ended the session on a bullish note, with the average mid-yield decreasing by 60bps to settle at 11.35%.

Outlook: We expect the Eurobond market to remain mixed to bullish, amid key data releases starting from tomorrow (Euro Area Inflation and GDP numbers).

Date	Sys. Liq. (₦bn)	Diff.
30-Oct-23	963.79	↑ 114.61
27-Oct-23	849.19	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 27th October 2023)	13.4942%
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)	33.23 (-10.13% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*88.27 (-2.44% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	30-Oct-23	27-Oct-23	Change in Rates
38 days	7.15%	3.92%	(3.23%)
129 days	8.39%	6.10%	(2.29%)
283 days	12.71%	8.69%	(4.02%)

Source: FMDQ DQL for 30 October 2023

Benchmark FGN Bond Yields			
	30-Oct-23	27-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.99%	14.00%	+0.01%
10 yrs: 12.50% 27-Apr-2032	15.40%	15.22%	(0.18%)
15 yrs: 13.00% 21-Jan-2042	15.57%	15.57%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.35%	16.32%	(0.03%)

Source: FMDQ DQL for 30 October 2023

Benchmark FGN Eurobond Yields			
	30-Oct-23	27-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.54%	11.18%	+0.64%
10 yrs: NGERIA 7.875 02/16/32	11.51%	11.93%	+0.42%
15 yrs: NGERIA 7.696 23/02/38	11.79%	12.07%	+0.28%
30 yrs: NGERIA 9.248 01/21/49	11.98%	12.28%	+0.30%
7.125% ECOTRAN 16/02/26	13.08%	13.07%	(0.01%)

Source: FBN UK Runs for 30 October 2023

Nigerian Equities

The Nigerian equity market closed on bullish note, close, due to buy-side interests in UBA (+4.47%) and GEREGU (+4.08%). Thus, the All-Share Index (ASI) gained 1.45% to close at 68,111.71 points, with a year-to-date return of approximately 32.90%. The market activity positive, as total volume traded increased by 100.98% while total value traded increased by 59.47%.

All Indices closed in the green, except the Oil & Gas Index which closed flat. The Banking, Industrial and Consumer Goods Indices appreciated by 1.20%, 2.99%, 0.44%. UNIVINSURE topped the volume charts with 94.75 million units while GEREGU led the value charts with ₦1.95 billion.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 20.51% to \$/₦993.82 from \$/₦789.94 recorded last Friday.

Outlook: We expect rates volatility to persist.

Commodities

Oil prices dipped even after Israel sent ground forces into the Gaza Strip, raising tensions in the Middle East, as investors closely monitor the U.S. Federal Reserve's monetary policy meeting later this week. Brent crude oil prices fell by 2.77% to \$87.97 per barrel, while West Texas Intermediate (WTI) declined by 3.21% to US\$82.72 per barrel as of writing time. Similarly, Spot Gold declined by 0.46% to US\$2,007.50 per ounce at the time of this report.

Outlook: We expect oil prices to continue to react to the geopolitical tensions in the Middle East.

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
NNFM	18.15	1.65	↑ 10.00%
CHELLARAM	3.82	0.34	↑ 9.77%
UACN	14.35	1.25	↑ 9.54%
NAHCO	26.05	2.25	↑ 9.45%
TIP	1.16	0.10	↑ 9.43%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
MEYER	2.74	-0.30	↓ -9.87%
ABBEBYBDS	1.86	-0.20	↓ -9.71%
REGALINS	0.33	-0.03	↓ -8.33%
RTBRISCOE	0.47	-0.03	↓ -6.00%
JAIZBANK	1.58	-0.10	↓ -5.95%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 1.45%	↑ 2.61%	↑ 32.90%
NSE Banking Index	↑ 1.20%	↑ 6.53%	↑ 69.99%
NSE Insurance Index	↑ 0.86%	↓ -3.42%	↑ 56.76%
NSE Industrial Goods Index	↑ 2.99%	↑ 6.45%	↑ 17.95%
NSE Consumer Goods Index	↑ 0.44%	↑ 1.50%	↑ 95.17%
NSE Oil & Gas Index	→ 0.00%	↑ 2.38%	↑ 102.35%

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