

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening System liquidity plunged by 96.45% to c.₦34.19 billion from ₦963.79 billion recorded yesterday, due to the CRR and OMO auction debits that took place yesterday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 28bps and 52bps to 15.58% and 16.46%, respectively.

**Outlook:** We expect the interbank rates to hover at similar levels tomorrow.

### Treasury Bills

The treasury bills market traded mixed to bearish on the back of yesterday's OMO auction result. Rates expanded across the curve amid increased selling interest from market players, particularly 12 Sept 2024, 24 Oct 2024 and 29 Oct 2024 (OMO) papers. Thus, the average mid-rate trended higher by c.57bps to settle at 11.28%.

**Outlook:** We expect the mixed to bearish theme to persist tomorrow.

### FGN Bonds

The bearish theme continued in the local bonds market today, although, with slight buy-side interests seen at the tail region of the curve. As a result, the average mid-yield increased by 8bps to close at 15.47%.

**Outlook:** We expect the bearish sentiment to persist tomorrow.

### Eurobonds

The Eurobonds market stayed firm on its bullish posture for the most part of the session, suggesting market anticipation for a hold stance in the US FOMC meeting tomorrow. Buy-side interests absorbed both the SSA and MENA curves. Nevertheless, the Nigerian curve ended the session on a bearish note, due to late selloffs, as the average mid-yield increased by 5bps to settle at 11.40%. In other news, preliminary estimates revealed that the Euro Area economy contracted by 0.1% in the third quarter of 2023, falling short of market expectations for a stable performance. This decline followed an upwardly revised 0.2% growth in the second quarter. Also, the Euro Area's year-on-year inflation rate receded to 2.9% in October 2023 from 4.30% recorded in the previous month. This figure marks the lowest level since July 2021 and represents a modest dip below the market consensus of 3.1%.

**Outlook:** We expect the bullish sentiment to spill into tomorrow's trading session. ADP Employment data is scheduled for tomorrow, as market expects 130k added jobs in October from 86k in September, as at print time.

Date	Sys. Liq. (₦bn)	Diff.
31-Oct-23	34.19	
28-Oct-23	963.79	↓(929.60)

Source: CBN

#### AIICO Money Market Fund (AMMF)

Net Yield (As at 30th October 2023)	13.3915%
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)	33.34 (-10.10% 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	31-Oct-23	28-Oct-23	Change in Rates
37 days	7.15%	7.15%	(0.00%)
128 days	8.39%	8.39%	(0.00%)
282 days	12.71%	12.71%	(0.00%)

Source: FMDQ DQL for 31 October 2023

Benchmark FGN Bond Yields	31-Oct-23	28-Oct-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	14.78%	13.99%	(0.79%)
10 yrs: 12.50% 27-Apr-2032	15.45%	15.40%	(0.05%)
20 yrs: 13.00% 21-Jan-2042	16.39%	15.57%	(0.82%)
30 yrs: 12.98% 27-Mar-2050	16.35%	16.35%	(0.00%)

Source: FMDQ DQL for 31 October 2023

Benchmark FGN Eurobond Yields	31-Oct-23	28-Oct-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.71%	10.54%	(0.17%)
10 yrs: NGERIA 7.875 02/16/32	11.62%	11.51%	(0.11%)
15 yrs: NGERIA 7.696 23/02/38	11.86%	11.79%	(0.07%)
30 yrs: NGERIA 9.248 01/21/49	12.04%	11.98%	(0.06%)
7.125% ECOTRAN 16/02/26	13.09%	13.08%	(0.01%)

Source: FBN UK Runs for 31 October 2023

## Nigerian Equities

In today's trading session, robust demand for AIRTELAFRI (+10.00%) and select banking stocks drove the Nigerian equity market to a bullish close. The All-Share Index (ASI) surged by an impressive 1.65%, settling at 69,236.19 points, with a year-to-date return of approximately 35.09%. Market activity displayed mixed trends, with a 12.29% increase in total volume traded but a 26.80% decline in total value traded.

Notably, the Banking and Industrial Indices appreciated by 0.94% and 0.09%, respectively, while the Consumer Goods Index experienced a marginal 0.02% loss. JAPAUFGOLD led in terms of traded volume with 155.60 million units, while ZENITHBANK dominated the value charts with ₦996.45 billion in traded value.

**Outlook:** *We expect the bullish bias to linger tomorrow.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 21.89% to \$/₦815.32 from \$/₦993.82 recorded yesterday.

**Outlook:** *We expect rates volatility to persist.*

## Commodities

Oil prices ranged today, as a drop in euro zone inflation was balanced by higher OPEC output. Brent crude oil prices increased by 0.29% to \$87.70 per barrel, while West Texas Intermediate (WTI) gained 0.21% to US\$82.50 per barrel as of writing time. Similarly, Spot Gold gained by 0.01% to US\$2,005.80 per ounce at the time of this report.

**Outlook:** *We expect oil prices to continue to be swayed by global headwinds.*

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
AIRTELAFRI	1540.10	140.00	↑ 10.00%
CADBURY	13.85	1.25	↑ 9.92%
NNFM	19.95	1.80	↑ 9.92%
CHAMS	2.22	0.20	↑ 9.90%
ABCTRANS	0.79	0.07	↑ 9.72%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
BETAGLAS	60.30	-6.65	↓ -9.93%
UPL	2.12	-0.23	↓ -9.79%
ELLAHLAKES	3.50	-0.37	↓ -9.56%
SOVRENINS	0.31	-0.03	↓ -8.82%
LEARNAFRCA	3.01	-0.29	↓ -8.79%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 1.65%	↑ 3.00%	↑ 35.09%
NSE Banking Index	↑ 0.94%	↑ 1.30%	↑ 71.60%
NSE Insurance Index	↑ 1.87%	↓ -1.61%	↑ 59.69%
NSE Industrial Goods Index	↑ 0.09%	↑ 2.93%	↑ 18.05%
NSE Consumer Goods Index	↓ -0.02%	↑ 0.13%	↑ 95.13%
NSE Oil & Gas Index	→ 0.00%	↑ 2.07%	↑ 102.35%

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