

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Monday 23 September | 2024

### Money Market

Opening system liquidity improved today due to FAAC credits, leading to significant declines in interbank rates. Specifically, the Open Repo Rate (OPR) decreased by 9.54% to 20.15%, and the Overnight Rate (O/N) decreased by 9.17% to 20.80%.

**Outlook:** We anticipate the interbank rates will remain at similar levels while awaiting the decision at tomorrow's MPC meeting and the primary market auction debits for the week.

### Treasury Bills

Activity in the Treasury bills market was mixed to bearish, with selling interest evident across the mid and long-dated papers. Thus, the average mid-rate across the benchmark NTB papers increased by 8 bps to 19.52%.

**Outlook:** We anticipate a quiet showing tomorrow as participants await the outcome of the MPC meeting.

### FGN Bonds

The local FGN bond market was quiet today as participants were focused on the FGN bonds auction. There were sellers of the May 2033 paper with offers ranging from 20.30% to 20.45%. Overall, the average mid-yield closed relatively flat at 18.46%.

**Outlook:** We anticipate a mixed to bearish session tomorrow, as the DMO sold more than expected on the May 2033 paper despite the stop rate closing significantly lower than the previous auction.

### Eurobonds

The African Eurobonds continued from last week, with selling interests observed across Nigeria, Angola, and Egypt. On average, the mid-yield across the Nigerian curve increased by 6bps to 9.66%.

**Outlook:** We anticipate market attention will be on PMI data this week, followed by the Fed's preferred inflation measure.

BENCHMARK T-BILLS DISCOUNT RATES			
	23-Sep-24	20-Sep-24	Change in Rates
80 DAYS	16.42%	16.42%	➔ 0.00%
171 DAYS	19.45%	19.45%	➔ 0.00%
346 DAYS	18.40%	18.40%	➔ 0.00%

Source: FMDQ DQL for 23-Sep-2024

BENCHMARK FGN BOND YIELDS			
	23-Sep-24	20-Sep-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	18.16%	18.15%	⬆️ 0.01%
10 YRS: 19.00% 21-FEB-2034	20.20%	20.30%	⬇️ -0.10%
20 YRS: 15.45% 21-JUN-2038	17.15%	17.15%	⬆️ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.60%	16.60%	⬇️ 0.00%

Source: FMDQ DQL for 23-Sep-2024

BENCHMARK FGN EUROBOND YIELDS			
	23-Sep-24	20-Sep-24	Change in Yield
5 YRS: NIGERIA 8.375% 03/24/29	9.20%	9.17%	⬆️ 0.03%
10 YRS: NIGERIA 7.375% 09/29/3	10.05%	9.93%	⬆️ 0.12%
15 YRS: NIGERIA 7.696% 23/02/3	10.26%	10.22%	⬆️ 0.04%
30 YRS: NIGERIA 8.25% 09/29/51	10.57%	10.51%	⬆️ 0.06%
8.75% ETI 06/17/31*	8.34%	8.26%	⬆️ 0.08%

Source: FBN UK Runs for 23-Sep-2024

NAFEM RATE (\$/N)		Diff.
23-Sep-24	1,562.66	
20-Sep-24	1,541.52	⬆️ 21.14

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
23-Sep-24	283.84	
20-Sep-24	(272.48)	⬆️ 556.31

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.42
AIICO BALANCED FUND	8.93
AIICO EUROBOND FUND	6.82

As of September 22, 2024

MACRO INDICATORS	
GDP (Q2 2024)	+3.19% (Q1: 2023 +2.98% y/y)
INFLATION (AUGUST'2024)	32.15% (Jul'24: 33.40%)
EXTERNAL RESERVE (US\$'BILLION)	37.39 (+13.62% YTD)
MONETARY POLICY RATE	26.75%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*73.85 (-0.81 d/d)

Source: NBS,CBN, AIICO Capital

## Nigerian Equities

The Nigerian bourse closed Monday's trading session positively, with the NGX-ASI rising by 0.14% to 98,386.60 points. This increase was driven by solid performance in key stocks like FCMB, FLOURMILLS, TRANSCORP, FBNH, NB, and UBA, resulting in a year-to-date ASI return of 31.58%. Trading volume increased by 46.23%, while traded value decreased by 18.06%. Three of the five major sectors experienced losses, with the Insurance sector recording the most significant decline. However, the Banking and Consumer Goods sectors showed gains.

**Outlook:** *We expect a similar sentiment to persist tomorrow.*

## Foreign Exchange

Today, the Naira lost 1.37% against the USD at the NAFEM window, closing at \$/₦1562.66.

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

## Commodities

After the recent reduction in U.S. interest rates and a decrease in U.S. crude supply following Hurricane Francine, oil prices fell despite reduced demand from China. The latest report shows that the Brent price dropped by 0.86% to \$73.85, while the WTI price decreased by 0.93% to \$70.34. Conversely, Gold reached a record high due to positive market sentiment following the U.S. Federal Reserve's interest rate cut and geopolitical tensions, even though the dollar strengthened. Currently, the price of gold is around \$2,652.40 per ounce.

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

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
FCMB	8.80	0.80	↑ 10.00%
MCNICHOLS	1.87	0.17	↑ 10.00%
FIDELITYBK	14.95	1.35	↑ 9.93%
TANTALIZER	0.67	0.06	↑ 9.84%
FLOURMILL	55.40	4.95	↑ 9.81%

*Source: NGX, AIICO Capital*

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
BERGER	21.10	-2.30	↓ -9.83%
DAARCOMM	0.68	-0.07	↓ -9.33%
DEAPCAP	0.90	-0.09	↓ -9.09%
NSLTECH	0.62	-0.05	↓ -7.46%
HONYFLOUR	4.63	-0.25	↓ -5.12%

*Source: NGX, AIICO Capital*

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.14%	↑ 0.72%	↑ 1.87%	↑ 31.58%
NSE BANKING INDEX	↑ 0.95%	↑ 0.77%	↑ 7.34%	↑ 2.55%
NSE INSURANCE INDEX	↓ -0.37%	↑ 2.03%	↓ -2.46%	↑ 28.62%
NSE INDUSTRIAL GOODS INDEX	↓ -0.07%	↓ -0.20%	↓ -0.21%	↑ 41.82%
NSE CONSUMER GOODS INDEX	↑ 0.24%	↓ -1.46%	↓ -0.26%	↑ 40.10%
NSE OIL & GAS INDEX	↓ -0.09%	↑ 0.55%	↑ 3.48%	↑ 84.64%

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