

Actionable Market Insights, delivered daily.

AIICO CAPITAL

MARKET COMMENTARY

DATE: Monday, 30 September 2024

System Liquidity

Opening system liquidity remained buoyant to end the month. Thus, the Open Repo Rate (OPR) and the Overnight Rate (O/N) declined by 140 bps and 130 bps to 28.03% and 28.72%, respectively.

Outlook: We expect the interbank rates to continue to trade at similar levels.

Treasury Bills

The treasury bills market was quiet but showed a bullish tone. There was little buying interest in the 25-Sep-2025 paper, although sellers offered the 27-Mar-2025 bill. Overall, the average interest rate for the benchmark NTB decreased by 5 bps to 20.42%.

Outlook: We expect the same sentiment to persist.

FGN Bonds

The local FGN bonds market experienced mixed sentiments, with most interest focused on the May 2033 paper. As a result, the average mid-yield declined marginally to close at 18.93%.

Outlook: We expect a mixed start to the new month.

Eurobonds

The Eurobonds market had a mixed tone today but ended bullish. This was due to the slight improvement in oil prices and renewed interest from investors looking to take advantage of attractively priced papers. Overall, the average benchmark yield across Nigerian papers decreased by 2 bps to 9.47%.

Outlook: The market will closely monitor Fed Chair Jerome Powell's speech at the Nashville National Association for Business Economics conference while anticipating the ISM manufacturing data and the upcoming jobs report.

BENCHMARK T-BILLS DISCOUNT RATES

	30-Sep-24	27-Sep-24	Change in Rates	
87 DAYS	17.78%	17.78%	→	0.00%
178 DAYS	21.10%	20.35%	↑	0.75%
339 DAYS	18.51%	18.51%	→	0.00%

Source: FMDQ DQL for 30-Sep-2024

BENCHMARK FGN BOND YIELDS

	30-Sep-24	27-Sep-24	Change in Yield	
5 YRS: 14.55% 26-APR-2029	18.17%	18.17%	→	0.00%
10 YRS: 19.00% 21-FEB-2034	20.20%	20.20%	→	0.00%
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 30-Sep-2024

BENCHMARK FGN EUROBOND YIELDS

	30-Sep-24	27-Sep-24	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.07%	9.10%	↓	-0.03%
10 YRS: NGERIA 7.375% 09/29/31	9.75%	9.77%	↓	-0.02%
15 YRS: NGERIA 7.696% 23/02/31	10.13%	10.15%	↓	-0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.42%	10.42%	→	0.00%
8.75% ETI 06/17/31*	8.34%	8.26%	↑	0.08%

Source: FBN UK Runs for 30-Sep-2024

NAFEM RATE (\$/N)

		Diff.
30-Sep-24	1,541.94	
27-Sep-24	1,540.78	↑ 1.16

Source: FMDQ

SYS. LIQ. (N'BN)

		Diff.
30-Sep-24	707.32	
27-Sep-24	698.14	↑ 9.18

Source: CBN

NAME OF FUND

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.22
AIICO BALANCED FUND	9.25
AIICO EUROBOND FUND	6.82

As of September 29, 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)	38.06 (+15.64% YTD as of 27-Sep-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*71.82 (-0.52 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian Equities market ended the month on a bullish note, with the NGX-ASI and market capitalization rising by 10 bps to 98,558.79 points and ₦56.63 trillion, respectively. This was driven by significant buying interest in UBA (+9.90%), OANDO (+9.84%), ACCESSCORP (+5.64%), WAPCO (+1.93%), and GTCO (+1.27%).

Sector performance varied, with the insurance sector leading with a 2.07% increase, followed by the banking sector at 1.14%. In contrast, the Industrial Goods sector decreased by 1.07%, the Consumer Goods sector slightly dropped by 0.05%, and the Oil and Gas sector stayed flat.

Outlook: *We expect the mixed sentiment to persist.*

Foreign Exchange

The Naira depreciated by 8bps against the USD at the NAFEM window, closing at \$1 to ₦1,541.94.

Outlook: *We expect the volatility to persist.*

Commodities

Oil prices are on track to register their third consecutive monthly decline due to increased supplies from OPEC+ and reduced demand in China. At the time of the report, Brent prices fell by 0.22% to \$71.82, while WTI prices saw a slight increase of 0.29% to \$68.38. In a similar trend, Gold retreated from its recent peak but is still positioned for its largest quarterly increase in over eight years, supported by geopolitical factors and the U.S. Federal Reserve's interest rate reduction, reaching \$2,659.70 per ounce.

Outlook: *We expect the volatility to be sustained.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
NSLTECH	0.66	0.06	↑ 10.00%
ABBEYBDS	2.75	0.25	↑ 10.00%
AFRIPRUD	9.90	0.90	↑ 10.00%
TRIPPLEG	4.54	0.41	↑ 9.93%
DEAPCAP	1.22	0.11	↑ 9.91%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ELLAHLAKES	4.43	-0.49	↓ -9.96%
NEIMETH	1.93	-0.21	↓ -9.81%
ACADEMY	2.86	-0.31	↓ -9.78%
CAVERTON	2.42	-0.26	↓ -9.70%
UPL	2.17	-0.20	↓ -8.44%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.10%	↑ 0.18%	↑ 2.05%	↑ 31.81%
NSE BANKING INDEX	↑ 1.14%	↑ 2.65%	↑ 10.18%	↑ 5.27%
NSE INSURANCE INDEX	↑ 2.07%	↑ 3.92%	↑ 1.36%	↑ 33.66%
NSE INDUSTRIAL GOODS INDEX	↓ -1.07%	↓ -1.04%	↓ -1.25%	↑ 40.35%
NSE CONSUMER GOODS INDEX	↓ -0.05%	↓ -0.43%	↓ -0.69%	↑ 39.49%
NSE OIL & GAS INDEX	→ 0.00%	↑ 3.37%	↑ 6.97%	↑ 90.87%

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