

DATE: Tuesday, 08 October 2024

MARKET COMMENTARY

System Liquidity

System liquidity decreased further, with around ₦910 billion exposed to the CBN's SLF window. As a result, the Open Repo Rate (OPR) rose by 11 bps to 32.39%, while the Overnight Rate (O/N) remained unchanged at 32.88%.

Outlook: *We expect the interbank rates to remain elevated.*

Treasury Bills

The treasury bills market was bearish today as investors took positions ahead of tomorrow's NTB auction. However, there was little demand for the 25 Sept 2025 Bill towards the close of the market, with bids around 19.55%. Overall, the average mid-rate across the benchmark NTB papers remained flat at 21.29%.

Outlook: *We anticipate a quiet session tomorrow as attention shifts to the NTB auction, where the DMO will offer T-bills worth approximately ₦81.9 billion.*

FGN Bonds

The local FGN bonds market experienced a bearish theme, with increasing offer yields on specific maturities, mainly Feb 2028, Mar 2050, and Jun 2053 papers. Overall, the average mid-yield rose by 7bps to settle at 18.85%.

Outlook: *We expect a mixed to bearish session tomorrow.*

Eurobonds

The African Eurobonds market experienced mixed performance today. Nigeria and Angola papers saw sideways interest, while the Egypt curve was bullish. As a result, the average benchmark yield across Nigerian papers increased by 2bps to 9.45%.

Outlook: *Activity is expected to remain mixed to bullish.*

BENCHMARK T-BILLS DISCOUNT RATES			
	08-Oct-24	07-Oct-24	Change in Rates
93 DAYS	20.50%	20.50%	→ 0.00%
184 DAYS	21.60%	21.60%	→ 0.00%
352 DAYS	19.65%	19.65%	→ 0.00%

Source: FMDQ DQL for 08-Oct-2024

BENCHMARK FGN BOND YIELDS			
	08-Oct-24	07-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.47%	19.47%	→ 0.00%
10 YRS: 19.00% 21-FEB-2034	20.20%	20.20%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	18.00%	18.00%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.73%	16.73%	→ 0.00%

Source: FMDQ DQL for 08-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	08-Oct-24	07-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.00%	9.00%	→ 0.00%
10 YRS: NGERIA 7.375% 09/29/33	9.75%	9.77%	↓ -0.02%
15 YRS: NGERIA 7.696% 23/02/38	10.13%	10.11%	↑ 0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.41%	10.41%	→ 0.00%
8.75% ETI 06/17/31*	8.41%	8.33%	↑ 0.08%

Source: FBN UK Runs for 08-Oct-2024

NAFEM RATE (\$/N)		Diff.
8-Oct-24	1,561.76	
7-Oct-24	1,635.15	↓ (73.39)

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
8-Oct-24	(1,116.88)	
7-Oct-24	(681.96)	↓ (434.92)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.89
AIICO BALANCED FUND	10.75
AIICO EUROBOND FUND	6.84

As of October 07, 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)	38.61 (+17.30% YTD as of 04-Oct-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*77.67 (-3.13 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed on a bearish note, with the NGX-ASI decreasing by 0.12% to settle at 97,584.81 points. Overall, market sentiment was mixed. Bargain hunting in FIDELITYBK, FBNH, and SEPLAT drove some positive activity, but this was outweighed by selloffs observed in MTNN, OANDO, and GTCO. Sector performance varied, with the Banking and Consumer Goods indices declining while the Oil & Gas, Insurance, and Industrial Goods indices advanced.

Outlook: *We expect mixed sentiments to persist.*

Foreign Exchange

At the NAFEM window, the value of the Naira improved by 4.49% against the USD, reaching ₦1,561.76.

Outlook: *We expect the volatility to persist.*

Commodities

Oil futures dropped by over 4%, pausing the rally driven by increased geopolitical risk as the market awaited Israel's response to Iran. Brent prices fell by 4.03% to \$77.67, while WTI prices decreased by 3.99% to \$74.06. In addition, gold prices declined as recent U.S. employment data reduced the likelihood of a significant rate cut, while investors awaited the release of the Federal Reserve's latest policy meeting minutes for new insights. Gold was down by 1.20% at \$1,633.90 per ounce.

Outlook: *We expect the sentiment to persist.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
REGALINS	0.55	0.05	↑ 10.00%
PZ	19.20	1.55	↑ 8.78%
CUTIX	2.64	0.14	↑ 5.60%
DEAPCAP	1.51	0.08	↑ 5.59%
TIP	2.00	0.10	↑ 5.26%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
GUINNESS	61.20	-6.80	↓ -10.00%
AFRIPRUD	9.60	-1.05	↓ -9.86%
INTBREW	4.01	-0.40	↓ -9.07%
CWG	6.00	-0.45	↓ -6.98%
UPDC	1.58	-0.10	↓ -5.95%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGXASI	↓ -0.12%	↓ -0.99%	↓ -0.99%	↑ 30.51%
NSE BANKING INDEX	↓ -0.50%	↓ -1.57%	↓ -1.57%	↑ 3.62%
NSE INSURANCE INDEX	↑ 0.86%	↑ 2.06%	↑ 2.06%	↑ 36.42%
NSE INDUSTRIAL GOODS INDEX	↑ 0.01%	↓ -5.96%	↓ -5.96%	↑ 31.98%
NSE CONSUMER GOODS INDEX	↓ -1.73%	↓ -0.95%	↓ -0.95%	↑ 38.17%
NSE OIL & GAS INDEX	↑ 1.98%	↑ 9.65%	↑ 9.65%	↑ 109.28%

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