

DATE: Thursday, 10 October 2024

MARKET COMMENTARY

System Liquidity

Opening system liquidity plunged into negative territory, with over ₦1 trillion borrowed from the CBN's SLF window. As a result, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 13 bps and 15 bps to 32.03% and 32.40%, respectively.

Outlook: We anticipate elevated interbank rates, as the CBN plans to conduct an OMO auction tomorrow, offering ₦300bn across 3 tenors.

Treasury Bills

The treasury bills market had mixed sentiments today but settled on a bearish note. There was some demand for the 1-year paper at the early session, with most trades executed at around 19.00%-19.30%. However, the market turned bearish overall following CBN's announcement of an OMO auction scheduled for tomorrow. As a result, the average mid-rate for the benchmark NTB papers settled at 21.14%.

Outlook: We anticipate the mixed to bearish sentiment will persist tomorrow.

FGN Bonds

The local FGN bonds market also traded bearish as yields continued to trend higher across the curve. Thus, the average mid-yield rose by 2bps to settle at 18.99%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

The Eurobonds market showed mixed to bearish sentiments as mild selling interest was witnessed across Nigeria, Angola, and Egypt papers. The higher-than-expected US CPI data, which printed at 2.40% y-o-y (Est. 2.30%) and Core inflation at 3.30% (Est. 3.20%), drove the bearish bias. Thus, the average benchmark yield for Nigerian bonds settled at 9.46%.

Outlook: Activity is expected to remain mixed.

BENCHMARK T-BILLS DISCOUNT RATES			
	10-Oct-24	09-Oct-24	Change in Rates
91 DAYS	20.77%	20.50%	↑ 0.27%
182 DAYS	21.60%	21.80%	↓ -0.20%
350 DAYS	19.27%	19.20%	↑ 0.07%

Source: FMDQ DQL for 10-Oct-2024

BENCHMARK FGN BOND YIELDS			
	10-Oct-24	09-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.48%	19.48%	→ 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 10-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	10-Oct-24	09-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	9.78%	9.73%	↑ 0.05%
15 YRS: NGERIA 7.696% 23/02/38	10.11%	10.09%	↑ 0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.39%	10.39%	→ 0.00%
8.75% ETI 06/17/31*	8.65%	8.57%	↑ 0.08%

Source: FBN UK Runs for 10-Oct-2024

NAFEM RATE (\$/₦)		Diff.
10-Oct-24	1,622.57	
9-Oct-24	1,625.13	↓ (2.56)

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
10-Oct-24	(684.47)	
9-Oct-24	11.44	↓ (695.91)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.97
AIICO BALANCED FUND	10.75
AIICO EUROBOND FUND	6.89

As of October 08, 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)	38.67 (+17.50% YTD as of 08-Oct-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*79.62 (+3.05 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

Today, the Nigerian bourse had a relatively quiet session, as the NGX-ASI and market capitalization decreased slightly to 97,477.19 points and ₦56.01 trillion, respectively. The day's performance was mainly influenced by decreases in the share prices of FIDELITYBK, NB, UBA, and STERLINGNG, leading to a 30.36% year-to-date ASI growth. Three of the five major sectors closed in the negative, with the Banking sector recording the most significant decline at 0.22%. Oil and Gas and Consumer Goods sectors also decreased, while Industrial Goods and Insurance sectors remained relatively unchanged.

Outlook: *We anticipate the mixed sentiments will persist tomorrow.*

Foreign Exchange

The Naira strengthened by 0.16% against the USD at the NAFEM window, reaching an exchange rate of \$1 to ₦1,622.57.

Outlook: *We expect the volatility to persist.*

Commodities

Oil prices rose over 3% due to increased U.S. fuel consumption, Middle East supply concerns, and potential growth in energy demand from the U.S. and China. Brent prices surged to \$79.62, and WTI prices to \$76.14. In addition, gold prices rose after traders bet on a potential Federal Reserve interest-rate cut, reaching \$2,642.70 per ounce.

Outlook: *We expect the sentiment to persist.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
REGALINS	0.66	0.06	↑ 10.00%
CAVERTON	2.48	0.22	↑ 9.73%
ROYALEX	0.75	0.06	↑ 8.70%
ABCTRANS	1.32	0.10	↑ 8.20%
UPL	2.55	0.17	↑ 7.14%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
DAARCOMM	0.63	-0.07	↓ -10.00%
LIVESTOCK	3.10	-0.34	↓ -9.88%
FIDSON	13.95	-1.50	↓ -9.71%
SUNUASSUR	1.58	-0.17	↓ -9.71%
CONHALLPLC	1.27	-0.13	↓ -9.29%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.01%	↑ 0.43%	↓ -1.10%	↑ 30.36%
NSE BANKING INDEX	↓ -0.22%	↓ -0.48%	↓ -2.44%	↑ 2.70%
NSE INSURANCE INDEX	↓ 0.00%	↓ -1.11%	↑ 1.84%	↑ 36.12%
NSE INDUSTRIAL GOODS INDEX	↓ 0.00%	↓ -0.03%	↓ -5.97%	↑ 31.97%
NSE CONSUMER GOODS INDEX	↓ -0.05%	↓ -1.54%	↓ -0.69%	↑ 38.53%
NSE OIL & GAS INDEX	↓ -0.13%	↑ 5.12%	↑ 8.97%	↑ 107.99%

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