

DATE: Tuesday, 15 October 2024

MARKET COMMENTARY

System Liquidity

System liquidity improved, although it remained negative, with over ₦1.5 trillion exposed to the CBN's SLF window. Despite this, the Open Repo Rate (OPR) increased by 11 bps to 32.30%, while the Overnight Rate (O/N) settled at 32.68%.

Outlook: We expect the rates to stay elevated due to the liquidity shortage.

Treasury Bills

The treasury bills market experienced limited activity, with minimal selling interest across specific maturities. The average mid-rate for the benchmark NTB papers concluded at 21.14%.

Outlook: We expect that the bearish theme will persist.

FGN Bonds

The local FGN bonds market continued its bearish trend, with higher offer yields seen on April 2029 and February 2031 papers ahead of Monday's FGN bond auction. However, some demand was observed on February 2034 paper. Overall, the average mid-yield increased by 13 bps, reaching 19.30%.

Outlook: We expect mixed sentiments tomorrow.

Eurobonds

The Eurobonds market showed mixed to bullish sentiments today. There was early strong bullish momentum in Egypt, Nigeria, and Angola due to easing tensions in the Middle East, but it turned bearish by the close of the session due to profit-taking. As a result, the average benchmark yield for Nigerian bonds increased by 4 bps, settling at 9.27%.

Outlook: We expect the same sentiment to persist.

BENCHMARK T-BILLS DISCOUNT RATES			
	15-Oct-24	14-Oct-24	Change in Rates
86 DAYS	20.77%	20.77%	→ 0.00%
177 DAYS	21.60%	21.60%	→ 0.00%
345 DAYS	19.27%	19.27%	→ 0.00%

Source: FMDQ DQL for 15-Oct-2024

BENCHMARK FGN BOND YIELDS			
	15-Oct-24	14-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.49%	19.49%	→ 0.00%
10 YRS: 19.00% 21-FEB-2034	20.20%	20.20%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.56%	18.00%	↑ 1.56%
30 YRS: 15.70% 21-JUN-2053	16.73%	16.73%	→ 0.00%

Source: FMDQ DQL for 15-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	15-Oct-24	14-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.89%	8.79%	↑ 0.10%
10 YRS: NGERIA 7.375% 09/29/33	9.55%	9.57%	↓ -0.02%
15 YRS: NGERIA 7.696% 23/02/38	9.93%	9.91%	↑ 0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.19%	10.19%	→ 0.00%
8.75% ETI 06/17/31*	8.90%	8.82%	↑ 0.08%

Source: FBN UK Runs for 15-Oct-2024

NAFEM RATE (\$/₦)		Diff.
15-Oct-24	1,658.97	
14-Oct-24	1,552.92	↑ 106.05

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
15-Oct-24	(1,451.10)	
14-Oct-24	(2,331.19)	↑ 880.09

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.58
AIICO BALANCED FUND	10.94
AIICO EUROBOND FUND	6.73

As of October 14, 2024

MACRO INDICATORS	
GDP (Q2 2024)	+3.19% (Q1: 2023 +2.98% y/y)
INFLATION (SEPTEMBER'2024)	32.70% (Aug'24: 32.15%)
EXTERNAL RESERVE (US\$'BILLION)	38.80 (+17.89% YTD as of 14-Oct-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.04 (-3.48 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian Equities market continued to show positive performance, with the NGX All-Share Index (ASI) and market capitalization increasing by 33 bps to close at 98,540.93 points and ₦56.70 trillion, respectively. This was driven by gains in the share prices of OANDO, ARADEL, ETERNA, GTCO, and ACCESSCORP. The year-to-date ASI growth is now at 31.79%. Sector performance was mixed, with the Oil & Gas and Consumer Goods sectors posting gains while the Insurance and Banking sectors declined. The Industrial Goods sector remained relatively unchanged.

Outlook: *We expect a mixed trading session tomorrow.*

Foreign Exchange

The Naira depreciated by 6.83% against the USD at the NAFEM window, resulting in an exchange rate of \$1 to ₦1,658.97.

Outlook: *We anticipate that the volatility will continue.*

Commodities

Oil prices declined more than 4% following reports that Israel assured the U.S. it has no plans to target Iran's oil facilities. This alleviated concerns about a potential disruption in Middle Eastern oil supply. Brent prices decreased by 4.42% to \$74.04, and WTI prices saw a 4.67% drop to \$70.38. Meanwhile, gold prices rose, supported by falling Treasury yields, as investors awaited further data for insights into the Federal Reserve's monetary policy. Gold reached \$2,680.10 per ounce.

Outlook: *We expect the sentiment to persist.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
CHAMPION	3.42	0.31	↑ 9.97%
TANTALIZER	0.60	0.05	↑ 9.09%
OANDO	77.60	5.70	↑ 7.93%
ARADEL	820.00	47.07	↑ 6.09%
ETERNA	25.90	1.20	↑ 4.86%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
CAVERTON	2.34	-0.26	↓ -10.00%
TRIPPLEG	1.81	-0.20	↓ -9.95%
CILEASING	3.59	-0.39	↓ -9.80%
JAIZBANK	2.17	-0.22	↓ -9.21%
ABCTRANS	1.20	-0.12	↓ -9.09%

Source: NGX, AIICO Capital

	D-o-D		W-o-W		MTD		YTD	
NGXASI	↑	0.33%	↑	0.98%	↓	-0.02%	↑	31.79%
NSE BANKING INDEX	↓	-0.78%	↓	-0.26%	↓	-1.82%	↑	3.35%
NSE INSURANCE INDEX	↓	-2.11%	↓	-2.10%	↓	-0.08%	↑	33.55%
NSE INDUSTRIAL GOODS INDEX	↓	0.00%	↓	0.00%	↓	-5.96%	↑	31.98%
NSE CONSUMER GOODS INDEX	↑	0.07%	↑	0.40%	↓	-0.55%	↑	38.72%
NSE OIL & GAS INDEX	↑	0.13%	↓	-0.50%	↑	9.10%	↑	108.23%

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