

MARKET COMMENTARY

System Liquidity

Liquidity in the financial system remained very tight as it further plunged into negative territory today. Funding costs across banks also increased as a result. Specifically, the Open Repo Rate (OPR) and the Overnight Rate (O/N) rose by 20 bps and 22 bps to 32.50% and 32.90%, respectively.

Outlook: We anticipate that the interbank rates will remain high despite tomorrow's expected FGN bond coupon.

Treasury Bills

Activity in the treasury bills market was quiet, with a mixed to bearish undertone. There was little demand for the 27th of March 2025 paper, but sellers offered some September 2025 papers. Overall, the average mid-rate for the benchmark NTB papers settled at 21.07%.

Outlook: We expect the mixed-to-bearish trend to continue.

FGN Bonds

The local FGN bonds market had a mixed performance. There was initial selling interest in the Feb 2031 paper, but this was followed by renewed buying by investors looking to take advantage of its attractive yield. As a result, the average mid-yield settled at 19.30%.

Outlook: We expect mixed sentiments to persist tomorrow, supported by the coupon inflows.

Eurobonds

The Eurobonds market ended on a negative note as selling pressure affected the Nigeria and Angola bonds. However, there was good buying interest in the Egypt bonds due to positive developments such as reduced tensions in the Middle East and a mutual investment agreement with Saudi Arabia. Consequently, the average benchmark yield for Nigerian bonds slightly increased, reaching 9.28%.

Outlook: We anticipate that the mixed theme will continue.

BENCHMARK T-BILLS DISCOUNT RATES

	16-Oct-24	15-Oct-24	Change in Rates
85 DAYS	20.77%	20.77%	→ 0.00%
176 DAYS	21.60%	21.60%	→ 0.00%
344 DAYS	19.27%	19.27%	→ 0.00%

Source: FMDQ DQL for 16-Oct-2024

BENCHMARK FGN BOND YIELDS

	16-Oct-24	15-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.61%	19.49%	↑ 0.12%
10 YRS: 19.00% 21-FEB-2034	20.20%	20.20%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.56%	19.56%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.73%	16.73%	→ 0.00%

Source: FMDQ DQL for 16-Oct-2024

BENCHMARK FGN EUROBOND YIELDS

	16-Oct-24	15-Oct-24	Change in Yield
5 YRS: NIGERIA 8.375% 03/24/29	8.89%	8.89%	→ 0.00%
10 YRS: NIGERIA 7.375% 09/29/33	9.59%	9.55%	↑ 0.04%
15 YRS: NIGERIA 7.696% 23/02/38	9.97%	9.93%	↑ 0.04%
30 YRS: NIGERIA 8.25% 09/29/51	10.19%	10.19%	→ 0.00%
8.75% ETI 06/17/31*	8.90%	8.90%	→ 0.00%

Source: FBN UK Runs for 16-Oct-2024

NAFEM RATE (\$/N)

	16-Oct-24	15-Oct-24	Diff.
	1,659.69	1,658.97	↑ 0.72

Source: FMDQ

SYS. LIQ. (N'BN)

	16-Oct-24	15-Oct-24	Diff.
	(1,979.16)	(1,451.10)	↓ (528.06)

Source: CBN

NAME OF FUND

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.07
AIICO BALANCED FUND	10.75
AIICO EUROBOND FUND	6.69

As of October 15, 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	*74.27 (+0.23 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian Equities market ended its 3-day bullish streak as the NGX All-Share Index (ASI) dropped by 25 bps to close at 98,291.53 points. This decline was due to selloffs in ARADEL, OKOMUOIL, and NESTLE, which offset buying interest in OANDO, DANGSUGAR, and GTCO. The year-to-date ASI growth is now at 31.45%. Sector performance was mixed, with the Oil & Gas, Consumer Goods, and Insurance Indices posting gains while Banking and Industrial Goods indices declined.

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

Foreign Exchange

The Naira experienced a slight depreciation of 4 bps against the USD at the NAFEX window, settling at \$/₦ 1,659.69.

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

Commodities

Reports that Israel will not launch an attack on Iran's oil facilities led to a slight decline in oil prices. Brent prices fell by 0.01% to \$74.25, while WTI dropped by 0.22% to \$70.23. Meanwhile, gold prices surged to near-record highs due to increased non-yielding bullion, supported by weakening U.S. bond yields and anticipated interest rate reductions by major central banks. Ongoing geopolitical tensions also provided additional safe-haven appeal. Gold reached \$2,691.50 per ounce.

Outlook: *We expect the sentiment to persist.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
DEAPCAP	1.32	0.12	↑ 10.00%
UACN	21.65	1.95	↑ 9.90%
DANGSUGAR	35.10	3.10	↑ 9.69%
CHAMPION	3.75	0.33	↑ 9.65%
DAARCOMM	0.59	0.05	↑ 9.26%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
CUSTODIAN	11.65	-1.15	↓ -8.98%
OKOMUOIL	338.10	-24.90	↓ -6.86%
CONHALLPLC	1.41	-0.10	↓ -6.62%
ARADEL	772.00	-47.97	↓ -5.85%
MCNICHOLS	1.35	-0.07	↓ -4.93%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.25%	↑ 0.83%	↓ -0.27%	↑ 31.45%
NSE BANKING INDEX	↓ -0.04%	↑ 0.38%	↓ -1.86%	↑ 3.32%
NSE INSURANCE INDEX	↑ 0.40%	↓ -1.50%	↑ 0.32%	↑ 34.08%
NSE INDUSTRIAL GOODS INDEX	↓ -0.03%	↓ -0.03%	↓ -5.99%	↑ 31.93%
NSE CONSUMER GOODS INDEX	↑ 0.46%	↑ 0.55%	↓ -0.10%	↑ 39.35%
NSE OIL & GAS INDEX	↑ 0.02%	↓ 0.00%	↑ 9.12%	↑ 108.27%

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