

MARKET COMMENTARY

System Liquidity

Liquidity in the banking system showed slight improvement at the beginning of the week, although it remains in negative territory. As a result, interbank rates have also improved slightly. Specifically, the Overnight Policy Rate (OPR) decreased by 8 bps to 32.25%, while the Overnight Rate (O/N) fell by 6 bps to 32.50%.

Outlook: We expect the interbank rates to remain elevated.

Treasury Bills

The Treasury bill market began the week with mixed to bullish sentiments. Selling pressure was present in the mid-tenor papers, while demand increased for the long-tenor notes. In the OMO space, steady interest was shown in the paper maturing on October 7, 2025. Overall, the average mid-rate for the benchmark NTB declined by 23 bps, closing at 21.29%.

Outlook: We expect mixed sentiments tomorrow.

FGN Bonds

The local FGN bonds market operated calmly as participants focused on today's primary market auction. The average mid-yield ultimately settled at 19.26%.

Outlook: We expect investors to have mixed to bearish sentiments tomorrow after today's FGN bond auction results.

Eurobonds

The Eurobonds market experienced a general risk-off sentiment today, with bearish activities dominating. Significant selling pressure was observed in the sovereign bonds of Nigeria, Angola, and Egypt. However, Nigerian corporates saw some demand, particularly for the ETINL 2029 paper. As a result, the average mid-yield for Nigerian bonds rose by 12 bps to 9.45%.

Outlook: We expect a mixed theme tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	21-Oct-24	18-Oct-24	Change in Rates
94 DAYS	20.86%	20.77%	↑ 0.09%
185 DAYS	23.53%	23.34%	↑ 0.19%
339 DAYS	19.27%	19.27%	→ 0.00%

Source: FMDQ DQL for 21-Oct-2024

BENCHMARK FGN BOND YIELDS			
	21-Oct-24	18-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.80%	19.79%	↑ 0.01%
10 YRS: 19.00% 21-FEB-2034	20.20%	20.20%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.57%	19.56%	↑ 0.01%
30 YRS: 15.70% 21-JUN-2053	16.73%	16.73%	→ 0.00%

Source: FMDQ DQL for 21-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	21-Oct-24	18-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.07%	8.93%	↑ 0.14%
10 YRS: NGERIA 7.375% 09/29/33	9.80%	9.66%	↑ 0.14%
15 YRS: NGERIA 7.696% 23/02/38	10.15%	10.01%	↑ 0.14%
30 YRS: NGERIA 8.25% 09/29/51	10.36%	10.26%	↑ 0.10%
8.75% ETI 06/17/31*	8.90%	9.45%	↓ -0.55%

Source: FBN UK Runs for 21-Oct-2024

NAFEM RATE (\$/N)			Diff.
21-Oct-24	1,603.16		
18-Oct-24	1,600.78	↑	2.38

Source: FMDQ

SYS. LIQ. (N'BN)			Diff.
21-Oct-24	(633.07)		
18-Oct-24	(837.29)	↑	204.22

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.07
AIICO BALANCED FUND	11.46
AIICO EUROBOND FUND	6.73

As of October 20, 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)	38.99 (+18.47% YTD as of 18-Oct-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.15 (+0.60 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market kicked off the week positively, with the NGX All-Share Index (ASI) rising by 63 bps, closing at 98,690.61 points. This increase was mainly fueled by increased buying interest in Seplat Energy after the government authorized the sale of Mobil's assets to the company. Moreover, UBA's strong Q3 earnings release sparked some bargain-hunting, further enhancing the market's performance. However, this gain was partially tempered by a selloff in MTNN. While four key indices saw positive results, the Industrial Goods Index experienced a slight dip of 4 bps.

Outlook: We expect the same sentiment to persist.

Foreign Exchange

The Naira's value declined by 15 bps against the USD, beginning the week at the NAFEM window with a closing rate of ₦1,603.16.

Outlook: We expect the fluctuations to persist.

Commodities

Oil prices rebounded by over 1% after China announced a reduction in its benchmark lending rate, with Brent crude climbing to \$74.15 and WTI rising to \$70.62. In the precious metals market, gold surged to a record high, while silver approached a near 12-year peak. These gains were fueled by growing uncertainties surrounding the upcoming U.S. presidential election and the ongoing conflict in the Middle East. Additionally, expectations of easing interest rates further contributed to gold's rally, which traded at around \$2,738.00 per ounce.

Outlook: We expect the sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
IKEJAHOTEL	7.70	0.70	↑ 10.00%
DAARCOMM	0.66	0.06	↑ 10.00%
SEPLAT	5,738.20	521.18	↑ 9.99%
PZ	21.65	1.95	↑ 9.90%
CHAMPION	3.75	0.33	↑ 9.65%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
REGALINS	0.56	-0.05	↓ -8.20%
NSL TECH	0.58	-0.04	↓ -6.45%
CILEASING	3.60	-0.19	↓ -5.01%
OMATEK	0.63	-0.03	↓ -4.55%
DEAPCAP	1.26	-0.05	↓ -3.82%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.63%	↑ 0.48%	↑ 0.13%	↑ 31.99%
NSE BANKING INDEX	↑ 0.96%	↑ 0.07%	↓ -0.98%	↑ 4.24%
NSE INSURANCE INDEX	↑ 1.07%	↓ -0.46%	↑ 1.60%	↑ 35.80%
NSE INDUSTRIAL GOODS INDEX	↓ -0.04%	↓ 0.00%	↓ -5.96%	↑ 31.98%
NSE CONSUMER GOODS INDEX	↑ 0.23%	↑ 1.41%	↑ 0.77%	↑ 40.57%
NSE OIL & GAS INDEX	↑ 4.10%	↑ 5.24%	↑ 14.67%	↑ 118.86%

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