

DATE: Tuesday, 22 October 2024

MARKET COMMENTARY

System Liquidity

System liquidity showed a slight improvement but remained negative. Nonetheless, the Overnight Policy Rate (OPR) and Overnight Rate (O/N) increased by 11 bps, closing at 32.36% and 32.61%, respectively.

Outlook: We anticipate that interbank rates will stay high due to the debit from the FGN bond auction.

Treasury Bills

The Treasury bill market experienced a calm session today, showing a slight bearish trend. There was steady interest in specific maturities, particularly those maturing in April, May, and October 2025. Overall, the average mid-rate for the benchmark NTB settled at 21.29%.

Outlook: We anticipate a calm session tomorrow as investors focus on the NTB auction, where the DMO will offer ₦374.67 billion across the usual tenors.

FGN Bonds

The local FGN bonds market experienced mixed sentiments today, with most activity concentrated on the Feb 2031 paper. Overall, the average mid-yield rose by 4 bps to 19.30%.

Outlook: We anticipate a mixed to bearish theme tomorrow.

Eurobonds

The Eurobond market continued its bearish trend today, with increased selling activity observed in the sovereign bonds of Nigeria, Angola, and Egypt. Consequently, the average mid-yield for Nigerian bonds rose by 14 bps to 9.59%.

Outlook: We anticipate that the same sentiment will continue tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	22-Oct-24	21-Oct-24	Change in Rates
93 DAYS	20.86%	20.86%	→ 0.00%
184 DAYS	23.53%	23.53%	→ 0.00%
338 DAYS	19.27%	19.27%	→ 0.00%

Source: FMDQ DQL for 22-Oct-2024

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

Source: FMDQ DQL for 22-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	22-Oct-24	21-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.18%	9.07%	↑ 0.11%
10 YRS: NGERIA 7.375% 09/29/33	9.95%	9.80%	↑ 0.15%
15 YRS: NGERIA 7.696% 23/02/38	10.29%	10.15%	↑ 0.14%
30 YRS: NGERIA 8.25% 09/29/51	10.47%	10.36%	↑ 0.11%
8.75% ETI 06/17/31*	8.90%	8.90%	→ 0.00%

Source: FBN UK Runs for 22-Oct-2024

NAFEM RATE (\$/N)		Diff.
22-Oct-24	1,653.02	
21-Oct-24	1,603.16	↑ 49.86

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
22-Oct-24	(504.47)	
21-Oct-24	(633.07)	↑ 128.60

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	*75.85 (+1.70 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed on a bullish note today, with the NGX-ASI increasing by 20 bps to close at 98,892.58 points, while market capitalization rose to ₦56.92 trillion. Key contributors to this positive performance included TRANSCOHOT, GTCO, and UBA. Among sector performances, the Insurance Index gained 1.22%, while the Banking sector increased by 0.91%. However, the Consumer Goods and Oil and Gas sectors saw declines.

Outlook: We expect the same sentiment to persist.

Foreign Exchange

The value of the Naira fell by 3.11% against the USD at the NAFEM window, finishing at \$/₦1,653.02.

Outlook: We anticipate that the volatility will continue.

Commodities

Today, oil prices continued to rise as traders grew more optimistic about the stability of supply in the Middle East amid tensions between Israel and Iran. Brent crude increased to \$75.85, while WTI rose to \$72.24. Meanwhile, gold reached a new record high, driven by safe-haven buying due to uncertainties surrounding the U.S. elections and ongoing conflicts in the Middle East. Currently, gold is trading at approximately \$2,760.40 per ounce.

Outlook: We expect the sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
TRANSCOHOT	106.00	9.00	↑ 9.28%
WAPIC	0.96	0.08	↑ 9.09%
UPDC	1.55	0.10	↑ 6.90%
UNIVINSURE	0.36	0.02	↑ 5.88%
ABCTRANS	1.35	0.06	↑ 4.65%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
JOHNHOLT	2.75	-0.30	↓ -9.84%
TANTALIZER	0.55	-0.06	↓ -9.84%
DANGSUGAR	31.00	-3.00	↓ -8.82%
REGALINS	0.52	-0.04	↓ -7.14%
HONYFLOUR	4.38	-0.27	↓ -5.81%

Source: NGX, AIICO Capital

	D-o-D		W-o-W		MTD		YTD	
NGX ASI	↑	0.20%	↑	0.36%	↑	0.34%	↑	32.26%
NSE BANKING INDEX	↑	0.91%	↑	1.77%	↓	-0.08%	↑	5.19%
NSE INSURANCE INDEX	↑	1.22%	↑	2.93%	↑	2.84%	↑	37.46%
NSE INDUSTRIAL GOODS INDEX	↓	0.00%	↓	0.00%	↓	-5.97%	↑	31.97%
NSE CONSUMER GOODS INDEX	↓	-0.70%	↑	0.62%	↑	0.07%	↑	39.58%
NSE OIL & GAS INDEX	↓	-0.31%	↑	4.78%	↑	14.31%	↑	118.18%

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