

MARKET COMMENTARY

System Liquidity

System liquidity declined today due to the FGN bond auction debit. However, the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) fell by 1.95% and 1.83%, settling at 30.41% and 30.78%, respectively.

Outlook: We anticipate that the liquidity situation will improve due to the expected inflows from FAAC.

Treasury Bills

Activity in the Treasury bills market remained calm as investors focused on the NTB auction. However, there was some interest in specific papers maturing in April and September 2025. Overall, the average mid-rate for the benchmark NTB rose by 11 bps, closing at 21.41%.

Outlook: We expect a mixed session tomorrow, influenced by the results of the NTB auction.

FGN Bonds

The local FGN bonds market experienced mixed sentiments today but ultimately ended on a slightly bullish note. Most of the activity focused on the February 2031 and May 2033 bonds, as investors capitalized on the attractive yields offered by these securities. Overall, the average mid-yield settled at 19.28%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

The Eurobond market continued its downward trend, resulting in declining prices for African bonds. As a result, the average mid-yield for Nigerian bonds increased by 2 bps, reaching 9.61%.

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

BENCHMARK T-BILLS DISCOUNT RATES			
	23-Oct-24	22-Oct-24	Change in Rates
92 DAYS	20.86%	20.86%	→ 0.00%
183 DAYS	23.53%	23.53%	→ 0.00%
337 DAYS	19.27%	19.27%	→ 0.00%

Source: FMDQ DQL for 23-Oct-2024

BENCHMARK FGN BOND YIELDS			
	23-Oct-24	22-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.81%	19.80%	↑ 0.01%
10 YRS: 19.00% 21-FEB-2034	20.20%	20.20%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.57%	19.57%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.73%	16.73%	→ 0.00%

Source: FMDQ DQL for 23-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	23-Oct-24	22-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.25%	9.18%	↑ 0.07%
10 YRS: NGERIA 7.375% 09/29/33	9.97%	9.95%	↑ 0.02%
15 YRS: NGERIA 7.696% 23/02/38	10.29%	10.29%	→ 0.00%
30 YRS: NGERIA 8.25% 09/29/51	10.51%	10.47%	↑ 0.04%
8.75% ETI 06/17/31*	9.15%	8.90%	↑ 0.25%

Source: FBN UK Runs for 23-Oct-2024

NAFEM RATE (\$/N)		Diff.
23-Oct-24	1,654.09	
22-Oct-24	1,653.02	↑ 1.07

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
23-Oct-24	(716.87)	
22-Oct-24	(504.47)	↓ (212.40)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.98
AIICO BALANCED FUND	10.69
AIICO EUROBOND FUND	6.82

As of October 22, 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)	39.23 (+19.20% YTD as of 22-Oct-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.84 (-1.01 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market continued its upward momentum, with the NGX-ASI rising by 5 bps to close at 98,944.42 points, while the market capitalization climbed to ₦59.95 trillion. This positive trend was driven by strong buying interest in OANDO and several banking stocks, including FBNH, ZENITHBANK, and UBA. Regarding sector performance, the Banking index led the gains at 2.41%, followed by the Consumer Goods and Industrial Goods sectors. Meanwhile, the Insurance index declined, and the Oil and Gas index remained unchanged.

Outlook: We expect the same sentiment to persist.

Foreign Exchange

At the NAFEM window, the naira's value depreciated 6 bps against the USD, closing at \$/₦1,654.09.

Outlook: We anticipate that the volatility will continue.

Commodities

Oil prices declined today after industry reports indicated that U.S. crude stockpiles increased more than anticipated. However, futures are still up by about 2% for the week as traders consider the ongoing conflict in the Middle East. Brent crude is now priced at \$74.84, while WTI has fallen to \$70.63. Similarly, gold prices dropped over 1% after reaching a record high. This decline was driven by a stronger dollar and rising U.S. Treasury yields, which overshadowed safe-haven demand linked to the upcoming U.S. election on November 5 and the situation in the Middle East. Gold is trading at around \$2,727.20 per ounce.

Outlook: We expect the sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
OANDO	89.65	8.15	↑ 10.00%
UNILEVER	20.90	1.90	↑ 10.00%
EUNISELL	3.19	0.29	↑ 10.00%
MCNICHOLS	1.57	0.14	↑ 9.79%
REGALINS	0.57	0.05	↑ 9.62%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
ARADEL	562.90	-62.47	↓ -9.99%
NNFM	34.00	-3.75	↓ -9.93%
CONHALLPLC	1.38	-0.09	↓ -6.12%
UPDC	1.46	-0.09	↓ -5.81%
ELLAHLAKES	4.00	-0.18	↓ -4.31%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.05%	↑ 0.66%	↑ 0.39%	↑ 32.33%
NSE BANKING INDEX	↑ 2.41%	↑ 4.26%	↑ 2.33%	↑ 7.72%
NSE INSURANCE INDEX	↓ -0.42%	↑ 2.09%	↑ 2.42%	↑ 36.89%
NSE INDUSTRIAL GOODS INDEX	↑ 0.05%	↑ 0.08%	↓ -5.92%	↑ 32.03%
NSE CONSUMER GOODS INDEX	↑ 0.31%	↑ 0.47%	↑ 0.37%	↑ 40.01%
NSE OIL & GAS INDEX	→ 0.00%	↑ 4.76%	↑ 14.31%	↑ 118.18%

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