

Actionable Market Insights, delivered daily.



DATE: Thursday, 24 October 2024

MARKET COMMENTARY

System Liquidity

System liquidity improved slightly as FAAC credits have begun to come in gradually. However, the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) increased by 1.28% and 1.30%, reaching 31.69% and 32.08%, respectively.

Outlook: We expect system liquidity to remain in deficit by the end of the week.

Treasury Bills

The Treasury bills market settled on a bearish note, although significant interest was recorded during the day on the newly issued 1-year paper at around 20.30%—20.50%. Overall, the average mid-rate for the benchmark NTB rose by 11 bps, closing at 21.46%.

Outlook: We expect a mixed theme tomorrow.

FGN Bonds

The local FGN bonds market traded mixed to bullish, with sideways interest observed across select maturities, specifically on the Feb 2031, May 2033, and Feb 2034 papers. As a result, the average mid-yield decreased by 8bps to close at 19.20%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

The Eurobond market closed positively, buoyed by favorable sentiment stemming from Angola's recent discussions with the IMF regarding a new debt program. Additionally, Angola's Finance Minister has indicated that there will be no Eurobond sales this year. Consequently, Angola's Eurobonds led the gains across Sub-Saharan Africa, with these positive sentiments extending to Nigerian and Egyptian bonds. Overall, the average mid-yield for Nigerian bonds decreased by 9 bps, settling at 9.52%.

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

BENCHMARK T-BILLS DISCOUNT RATES			
	24-Oct-24	23-Oct-24	Change in Rates
91 DAYS	20.86%	20.86%	→ 0.00%
182 DAYS	23.53%	23.53%	→ 0.00%
336 DAYS	19.27%	19.27%	→ 0.00%

Source: FMDQ DQL for 24-Oct-2024

BENCHMARK FGN BOND YIELDS			
	24-Oct-24	23-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.81%	19.81%	→ 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 24-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	24-Oct-24	23-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.14%	9.25%	↓ -0.11%
10 YRS: NGERIA 7.375% 09/29/33	9.90%	9.97%	↓ -0.07%
15 YRS: NGERIA 7.696% 23/02/38	10.23%	10.29%	↓ -0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.41%	10.51%	↓ -0.10%
8.75% ETI 06/17/31*	9.07%	9.15%	↓ -0.08%

Source: FBN UK Runs for 24-Oct-2024

NAFEM RATE (\$/N)		Diff.
24-Oct-24	1,601.20	
23-Oct-24	1,654.09	↓ (52.89)

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
24-Oct-24	(507.82)	
23-Oct-24	(716.87)	↑ 209.05

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.12
AIICO BALANCED FUND	10.95
AIICO EUROBOND FUND	6.90

As of October 23, 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	*74.22 (-0.62 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The bullish trend in the Nigerian stock market persisted today, with the NGX-ASI climbing 25 bps to close at 99,189.95 points and market capitalization hitting ₦60.10 trillion, up from ₦59.95 trillion. This upswing was driven by solid performances from ACCESSCORP, FBNH, UBA, ZENITHBANK, GTCO, and WAPCO, contributing to a 32.65% year-to-date growth. Most sectors gained, particularly Banking, while Consumer Goods declined slightly.

Outlook: We expect the same sentiment to persist.

Foreign Exchange

At the NAFEM window, the naira gained 3.20% in value against the USD, closing at \$/₦1,601.20.

Outlook: We anticipate that the volatility will continue.

Commodities

Oil prices experienced a 1% decline marked by volatility, primarily due to fears that sluggish economic growth in Europe might dampen energy consumption. This uncertainty, compounded by ongoing tensions in the Middle East, has kept traders cautious as the U.S. presidential election approaches. Brent crude traded around \$74.22, while WTI has decreased to \$70.01. In contrast, gold prices have increased by approximately 1%, nearing their all-time highs, driven by safe-haven demand in light of ongoing geopolitical concerns. It traded around \$2,747.80 per ounce.

Outlook: We expect the sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ACCESSCORP	22.10	2.00	↑ 9.95%
ACADEMY	3.14	0.28	↑ 9.79%
UPDC	1.59	0.13	↑ 8.90%
CORNERST	2.69	0.19	↑ 7.60%
VERITASKAP	1.60	0.09	↑ 5.96%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ROYALEX	0.65	-0.07	↓ -9.72%
INTBREW	4.06	-0.27	↓ -6.24%
LIVESTOCK	3.10	-0.20	↓ -6.06%
WAPIC	0.95	-0.06	↓ -5.94%
CHAMPION	3.50	-0.20	↓ -5.41%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.25%	↑ 1.13%	↑ 0.64%	↑ 32.65%
NSE BANKING INDEX	↑ 2.61%	↑ 7.60%	↑ 5.00%	↑ 10.53%
NSE INSURANCE INDEX	↑ 0.68%	↑ 1.64%	↑ 3.11%	↑ 37.82%
NSE INDUSTRIAL GOODS INDEX	↑ 0.03%	↑ 0.03%	↓ -5.90%	↑ 32.07%
NSE CONSUMER GOODS INDEX	↓ -0.77%	↓ -0.32%	↓ -0.40%	↑ 38.93%
NSE OIL & GAS INDEX	↑ 0.04%	↑ 3.84%	↑ 14.35%	↑ 118.26%

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