

## MARKET COMMENTARY

### System Liquidity

System liquidity improved today, bolstered by inflows from the FGN Bond coupon amounting to ₦259.35 billion. However, rates are still hovering around 27% due to the settlement related to the CBN's foreign exchange intervention. Ultimately, the Overnight Policy Rate (OPR) and Overnight Rate (O/N) decreased, with OPR falling by 2.46% and O/N by 2.41%, closing at 27.32% and 27.73%, respectively.

**Outlook:** We anticipate an improvement in system liquidity tomorrow, buoyed by OMO maturities.

### Treasury Bills

The Treasury bills market experienced a relatively stable session, though the overall sentiment leaned towards mixed to bearish. Most trades occurred in January, February, March, and October 2025 papers. In general, the average mid-rate for the benchmark NTB increased by 25 bps to close at 21.71%.

**Outlook:** We expect a mixed theme tomorrow.

### FGN Bonds

The local FGN bonds market experienced a somewhat subdued session. Investors expressed interest in the Feb 2031, May 2033, Apr 2037, and Jun 2053 securities. However, trading volumes were few and far between. Thus, the average mid-yield fell by 2 bps to close at 19.17%.

**Outlook:** We expect some buying activity tomorrow as investors reinvest the coupon inflows.

### Eurobonds

The Eurobond market began the week on a bearish note, with substantial selling pressure observed in African sovereign bonds, particularly those from Angola and Nigeria. This trend was primarily influenced by a significant drop in oil futures. However, some buying activity was noted in the Egyptian bonds. Overall, the average mid-yield for Nigerian bonds rose by 8 bps, settling at 9.49%.

**Outlook:** We expect the same sentiment to persist tomorrow, although with a slightly reduced intensity.

BENCHMARK T-BILLS DISCOUNT RATES			
	28-Oct-24	25-Oct-24	Change in Rates
87 DAYS	20.86%	20.86%	→ 0.00%
178 DAYS	23.53%	23.53%	→ 0.00%
332 DAYS	19.74%	19.74%	→ 0.00%

Source: FMDQ DQL for 28-Oct-2024

BENCHMARK FGN BOND YIELDS			
	28-Oct-24	25-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.82%	19.81%	↑ 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	17.05%	17.05%	→ 0.00%

Source: FMDQ DQL for 28-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	28-Oct-24	25-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.11%	9.04%	↑ 0.07%
10 YRS: NGERIA 7.375% 09/29/33	9.83%	9.69%	↑ 0.14%
15 YRS: NGERIA 7.696% 23/02/38	10.13%	10.07%	↑ 0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.36%	10.31%	↑ 0.05%
8.75% ETI 06/17/31*	8.91%	8.91%	→ 0.00%

Source: FBN UK Runs for 28-Oct-2024

NAFEM RATE (\$/₦)		Diff.
28-Oct-24	1,670.65	
25-Oct-24	1,600.00	↑ 70.65

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
28-Oct-24	369.14	
25-Oct-24	183.98	↑ 185.16

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.02
AIICO BALANCED FUND	11.55
AIICO EUROBOND FUND	6.83

As of October 27, 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)	39.37 (+19.61% YTD as of 24-Oct-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*71.83 (-3.99 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market closed on a bearish note, as the NGX-ASI dropped by 74 bps to settle at 98,708.90 points, while the market capitalization stood at ₦59.81 trillion. This downward trend was influenced by selloffs in BUACEMENT, FBNH, and UBA, overshadowing the buying interest in TRANSCORP. All sectors closed in the red, with the Consumer Goods sector experiencing the most significant decline.

**Outlook:** We expect mixed sentiments tomorrow.

## Foreign Exchange

At the NAFEM window, the naira weakened by 4.42% against the USD, closing at \$/₦1,670.65.

**Outlook:** We expect the volatility to persist.

## Commodities

Oil futures experienced a significant decline, putting the benchmark on track for its worst day in over two years after Iranian energy sites remained unharmed during an Israeli strike over the weekend. Brent crude traded at approximately \$71.83, while WTI dropped to \$67.68. Meanwhile, gold's impressive rally paused as U.S. Treasury yields and the dollar strengthened. Investors look forward to various U.S. economic data being released this week for insights on the Federal Reserve's interest rate plans, with gold trading at around \$2,754.90 per ounce.

**Outlook:** We expect the sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
EUNISELL	3.85	0.35	↑ 10.00%
LIVESTOCK	3.75	0.34	↑ 9.97%
TRANSCORP	48.60	4.40	↑ 9.95%
RTBRISCOE	3.35	0.30	↑ 9.84%
JAIZBANK	2.59	0.22	↑ 9.28%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
BUACEMENT	99.00	-11.00	↓ -10.00%
LASACO	2.58	-0.28	↓ -9.79%
DAARCOMM	0.58	-0.06	↓ -9.37%
REGALINS	0.51	-0.05	↓ -8.93%
JAPAULGOLD	2.28	-0.16	↓ -6.56%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.74%	↑ 0.02%	↑ 0.15%	↑ 32.01%
NSE BANKING INDEX	↓ -1.50%	↑ 5.24%	↑ 4.21%	↑ 9.70%
NSE INSURANCE INDEX	↓ -1.10%	↑ 1.80%	↑ 3.43%	↑ 38.25%
NSE INDUSTRIAL GOODS INDEX	↓ -3.50%	↓ -3.36%	↓ -9.13%	↑ 27.54%
NSE CONSUMER GOODS INDEX	↓ -0.30%	↓ -1.36%	↓ -0.60%	↑ 38.66%
NSE OIL & GAS INDEX	↓ -0.30%	↓ -0.44%	↑ 14.16%	↑ 117.89%

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