

Actionable Market Insights, delivered daily.



DATE: Wednesday, 30 October 2024

MARKET COMMENTARY

System Liquidity

The financial system maintained relatively stable liquidity levels, leading to a reduction in funding rates due to the lack of significant funding pressure. Consequently, both the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) fell, with the OPR decreasing by 1.68% to 24.85% and the O/N dropping by 1.95% to 25.00%.

Outlook: We expect the interbank rates to remain stable, barring any major catalyst.

Treasury Bills

The treasury bills market had a calm session with a slightly bullish undertone. Most activity centered around the March, May, and October 2025 bills. Consequently, the average mid-rate for the benchmark NTB decreased by 7 bps, closing at 21.47%.

Outlook: We expect the same sentiment to persist tomorrow.

FGN Bonds

The local bonds market exhibited a bullish trend, with interests observed across the February 2031, May 2033, February 2034, and June 2053 bonds. Overall, the average mid-yield decreased by 6 bps, settling at 19.06%.

Outlook: We expect a similar play tomorrow.

Eurobonds

The Eurobond market experienced a bullish trend across the African region, driven by renewed buying interest. Consequently, the average mid-yield for Nigerian bonds decreased by 7 bps, closing at 9.42%.

In other news, the US Bureau of Economic Analysis reported a slowdown in Q3 2024 GDP growth to 2.8%. Consumer spending and federal government spending rose, exports and imports increased, but private inventory investment declined.

Outlook: Tomorrow's attention will be on US' September PCE inflation data.

BENCHMARK T-BILLS DISCOUNT RATES			
	30-Oct-24	29-Oct-24	Change in Rates
85 DAYS	20.86%	20.86%	→ 0.00%
176 DAYS	23.53%	23.53%	→ 0.00%
330 DAYS	19.74%	19.74%	→ 0.00%

Source: FMDQ DQL for 30-Oct-2024

BENCHMARK FGN BOND YIELDS			
	30-Oct-24	29-Oct-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	20.40%	19.82%	↑ 0.58%
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	17.00%	17.05%	↓ -0.05%

Source: FMDQ DQL for 30-Oct-2024

BENCHMARK FGN EUROBOND YIELDS			
	30-Oct-24	29-Oct-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.07%	9.11%	↓ -0.04%
10 YRS: NGERIA 7.375% 09/29/33	9.74%	9.86%	↓ -0.12%
15 YRS: NGERIA 7.696% 23/02/38	10.09%	10.15%	↓ -0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.31%	10.37%	↓ -0.06%
8.75% ETI 06/17/31*	8.82%	8.99%	↓ -0.17%

Source: FBN UK Runs for 30-Oct-2024

NAFEM RATE (\$/N)		Diff.
30-Oct-24	1,631.17	
29-Oct-24	1,630.45	↑ 0.72

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
30-Oct-24	357.27	
29-Oct-24	362.01	↓ (4.74)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.75
AIICO BALANCED FUND	11.34
AIICO EUROBOND FUND	7.07

As of October 29, 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)	39.66 (+20.50% YTD as of 28-Oct-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.40 (+1.20 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market maintained its downward trend with mixed performance overall. The NGX-ASI dropped by 4 bps to 98,023.33 points, and market capitalization fell to ₦59.39 trillion. The decline was driven by a selloff in MTNN, which overshadowed gains in GTCO, TRANSCORP, WAPCO, and ZENITHBANK. Sector performance varied: Banking, Industrial Goods, and Oil & Gas sectors advanced, while Insurance and Consumer Goods sectors declined.

Outlook: We expect the same sentiments to persist tomorrow.

Foreign Exchange

At the NAFEM window, the Naira closed at \$/₦1,631.17, experiencing a slight depreciation of 4 bps against the USD.

Outlook: We anticipate that the volatility will continue.

Commodities

Oil prices surged by over 1% following unexpected declines in U.S. crude and gasoline inventories and speculation that OPEC+ might postpone an oil output increase. Brent crude climbed to \$72.40, while WTI rose to \$68.43. Similarly, gold prices hit a record high of around \$2,800.40 per ounce, driven by safe-haven demand amid U.S. presidential election uncertainty and anticipation of economic data influencing the Federal Reserve's policy decisions.

Outlook: We expect this sentiment to continue.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
SKYAVN	27.50	2.50	↑ 10.00%
UPL	3.08	0.28	↑ 10.00%
VITAFOAM	22.00	2.00	↑ 10.00%
EUNISELL	4.65	0.42	↑ 9.93%
NAHCO	38.90	3.50	↑ 9.89%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
JAIZBANK	2.25	-0.25	↓ -10.00%
PZ	18.90	-2.10	↓ -10.00%
ABCTrans	1.22	-0.13	↓ -9.63%
UPDC	1.45	-0.15	↓ -9.37%
INTENEGINS	1.32	-0.13	↓ -8.97%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.04%	↓ -0.93%	↓ -0.54%	↑ 31.09%
NSE BANKING INDEX	↑ 1.73%	↑ 2.11%	↑ 4.49%	↑ 10.00%
NSE INSURANCE INDEX	↓ -0.71%	↑ 0.43%	↑ 2.85%	↑ 37.47%
NSE INDUSTRIAL GOODS INDEX	↑ 0.24%	↓ -3.51%	↓ -9.23%	↑ 27.40%
NSE CONSUMER GOODS INDEX	↓ -0.11%	↓ -1.06%	↓ -0.69%	↑ 38.52%
NSE OIL & GAS INDEX	↑ 0.22%	↑ 0.12%	↑ 14.45%	↑ 118.45%

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