

DATE: Monday, 04 November 2024

## MARKET COMMENTARY

### System Liquidity

System liquidity stayed relatively buoyant due to the absence of significant debits. Consequently, the interbank market remained stable. The Overnight Policy Rate (OPR) decreased by 3 bps to 19.22%, whereas the Overnight Rate (O/N) saw a slight increase of 1 bp to 19.69%.

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

### Treasury Bills

The treasury bills market experienced a calm trading session with minimal activity. Interest was primarily focused on the April, May, July, and October 2025 papers. Consequently, the average mid-rate for the benchmark NTB remained steady at 21.41%.

**Outlook:** We expect a relatively quiet session tomorrow.

### FGN Bonds

The local bonds market sustained its bullish momentum with buying interests recorded across the Feb 2031, May 2033 and Feb 2034 papers. Thus, the average mid-yield decreased by 7 bps, settling at 18.82%.

**Outlook:** We expect a similar play tomorrow.

### Eurobonds

The Eurobonds market experienced a positive trend today, driven by higher crude prices that boosted buying interest in the Oilers, particularly the Nigeria and Angola papers. This buying interest also extended to the Egypt papers. However, towards the end of the session, the market quieted down as participants exercised caution ahead of tomorrow's election. Overall, the average mid-yield for Nigerian bonds decreased by 11 basis points, closing at 9.60%.

**Outlook:** Attention will now shift to the US elections tomorrow; thus, we anticipate cautious trading.

BENCHMARK T-BILLS DISCOUNT RATES			
	04-Nov-24	01-Nov-24	Change in Rates
94 DAYS	22.90%	20.86%	↑ 2.04%
185 DAYS	22.34%	23.53%	↓ -1.19%
325 DAYS	19.74%	19.74%	→ 0.00%

Source: FMDQ DQL for 04-Nov-2024

BENCHMARK FGN BOND YIELDS			
	04-Nov-24	01-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	20.41%	20.41%	→ 0.00%
10 YRS: 19.00% 21-FEB-2034	19.98%	19.98%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.00%	19.00%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.98%	16.98%	→ 0.00%

Source: FMDQ DQL for 04-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	04-Nov-24	01-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.22%	9.36%	↓ -0.14%
10 YRS: NGERIA 7.375% 09/29/33	9.95%	10.05%	↓ -0.10%
15 YRS: NGERIA 7.696% 23/02/38	10.28%	10.36%	↓ -0.08%
30 YRS: NGERIA 8.25% 09/29/51	10.46%	10.56%	↓ -0.10%
8.75% ETI 06/17/31*	8.91%	8.99%	↓ -0.08%

Source: FBN UK Runs for 04-Nov-2024

NAFEM RATE (\$/N)		Diff.
4-Nov-24	1,676.90	
1-Nov-24	1,666.72	↑ 10.18

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
4-Nov-24	375.53	
1-Nov-24	398.31	↓ (22.78)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.30
AIICO BALANCED FUND	11.45
AIICO EUROBOND FUND	7.10

As of October 30, 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)	39.83 (+21.03% YTD as of 01-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.86 (+1.50 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market ended on a bearish note, with the NGX-ASI dropping by 54 basis points to 96,907.73 points and the market capitalization decreasing to ₦58.72 trillion. This downturn was mainly due to sell-offs in ARADEL, OANDO, and MTNN, which outweighed the buying interest in UBA. Sector performance was mixed: the Banking and Consumer Goods indices saw gains, while the Insurance and Oil & Gas indices declined, and the Industrial Goods index remained flat.

**Outlook:** We expect mixed sentiments to persist.

## Foreign Exchange

The Naira's value decreased by 0.61% against the USD at the NAFEM window, closing at \$/₦ 1,676.90.

**Outlook:** We anticipate that the volatility will continue.

## Commodities

Oil prices surged by over 2% following OPEC+'s decision to postpone their planned output increase by a month. This rise occurred as the market prepared for a pivotal week, featuring the U.S. presidential election and an important meeting in China. Consequently, Brent crude increased to \$74.86, and WTI rose to \$71.28. Similarly, gold prices climbed due to the uncertainty surrounding the U.S. election, with markets anticipating a possible contested result and heightened political tensions. Investors also closely monitored the upcoming Federal Reserve policy meeting, with gold currently trading at \$2,742.10 per ounce.

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

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
JOHNHOLT	3.63	0.33	↑ 10.00%
UBA	31.90	2.90	↑ 10.00%
EUNISELL	6.18	0.56	↑ 9.96%
STERLINGNG	4.98	0.28	↑ 5.96%
PZ	23.00	1.00	↑ 4.55%

**Source:** NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CAVERTON	1.80	-0.20	↓ -10.00%
ARADEL	401.10	-44.52	↓ -9.99%
OANDO	80.70	-8.95	↓ -9.98%
FTNCOCOA	1.73	-0.19	↓ -9.90%
VERITASKAP	1.28	-0.14	↓ -9.90%

**Source:** NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.54%	↓ -1.82%	↓ -0.76%	↑ 29.60%
NSE BANKING INDEX	↑ 1.13%	↑ 2.83%	↑ 2.30%	↑ 12.84%
NSE INSURANCE INDEX	↓ -0.75%	↓ -0.02%	↓ -0.60%	↑ 38.18%
NSE INDUSTRIAL GOODS INDEX	→ 0.00%	↓ -0.19%	↓ -0.01%	↑ 27.27%
NSE CONSUMER GOODS INDEX	↑ 0.21%	↑ 0.26%	↑ 0.44%	↑ 39.05%
NSE OIL & GAS INDEX	↓ -0.16%	↑ 1.28%	↓ -0.24%	↑ 120.70%

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