

MARKET COMMENTARY

System Liquidity

System liquidity opened lower today; however, after the OMO auction, interbank rates closed significantly higher. Specifically, the Overnight Policy Rate (OPR) increased by 10.59% to 29.81%, while the Overnight Rate (O/N) rose by 10.67% to 30.36%.

Outlook: We expect system liquidity to drop into negative territory due to the OMO auction settlement. Consequently, interbank rates should remain elevated.

Treasury Bills

The treasury bills market experienced a calm trading session following the announcement of the OMO auction. The CBN offered ₦300 billion but ended up selling c.₦1.447 trillion. Notably, all the volume was allocated to the long-end tenor, with no subscriptions or allotments for the short and medium tenors. As a result, the average mid-rate across the benchmark NTB papers rose by 28 bps, closing at 21.69%.

Outlook: We anticipate a quiet session tomorrow as attention shifts to the NTB auction, where the DMO will offer ₦513.43 billion.

FGN Bonds

The local bonds market ended on a slightly bearish note, with sustained interest observed across the belly and long tenors. Overall, the average mid-yield remained relatively flat, closing at 18.83%.

Outlook: We expect a mixed theme tomorrow.

Eurobonds

The Eurobonds market experienced a setback today, as the US elections influenced the market to close on a bearish note. Trading volumes were low as participants shifted their focus to the polls. Among African bonds, only a few Nigerian corporates saw slight demand, while the sovereign bonds of Nigeria, Angola, and Egypt experienced lower prices. Overall, the average mid-yield for Nigerian bonds increased by 10 bps, closing at 9.70%.

Outlook: We expect the cautious trading to persist.

BENCHMARK T-BILLS DISCOUNT RATES			
	05-Nov-24	04-Nov-24	Change in Rates
93 DAYS	22.97%	22.90%	↑ 0.07%
184 DAYS	22.34%	22.34%	→ 0.00%
324 DAYS	19.74%	19.74%	→ 0.00%

Source: FMDQ DQL for 05-Nov-2024

BENCHMARK FGN BOND YIELDS			
	05-Nov-24	04-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 05-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	05-Nov-24	04-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.36%	9.22%	↑ 0.14%
10 YRS: NGERIA 7.375% 09/29/33	10.05%	9.95%	↑ 0.10%
15 YRS: NGERIA 7.696% 23/02/38	10.34%	10.28%	↑ 0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.54%	10.46%	↑ 0.08%
8.75% ETI 06/17/31*	8.82%	8.91%	↓ -0.09%

Source: FBN UK Runs for 05-Nov-2024

NAFEM RATE (\$/N)		Diff.
5-Nov-24	1,671.32	
4-Nov-24	1,676.90	↓ (5.58)

Source: FMDQ

SYS. LIQ. (₦BN)		Diff.
5-Nov-24	238.55	
4-Nov-24	375.53	↓ (136.98)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.25
AIICO BALANCED FUND	11.34
AIICO EUROBOND FUND	7.18

As of November 04, 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	*76.08 (+1.22 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market recovered today from its recent bearish trend, with the NGX-ASI rising by 22 bps to reach 97,123.61 points. This positive shift was fueled by bullish sentiments, particularly in the banking sector, with notable contributions from UBA, Zenith Bank, Access Bank, Fidelity Bank, and FBN Holdings. However, sector performance varied: while the Banking and Oil & Gas indices showed gains, the Insurance, Industrial Goods, and Consumer Goods indices all recorded declines.

Outlook: We expect mixed sentiments to persist.

Foreign Exchange

The Naira appreciated by 33 bps against the USD, closing at ₦1,671.32 in the NAFEM window.

Outlook: We anticipate that the volatility will continue.

Commodities

Oil prices remained stable, following a more than 2% rise in the previous session due to OPEC+ postponing its December production increase. As a result, Brent crude reached \$76.08, while WTI rose to \$72.55. Additionally, gold prices increased as investors prepared for potential political uncertainty, with polls indicating a close race between Donald Trump and Kamala Harris. Gold is currently valued at \$2,750.50 per ounce.

Outlook: We expect this sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
CONOIL	208.10	18.80	↑ 9.93%
JOHNHOLT	3.99	0.36	↑ 9.92%
EUNISELL	6.79	0.61	↑ 9.87%
UBA	35.05	3.15	↑ 9.87%
PZ	24.95	1.95	↑ 8.48%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
OANDO	72.65	-8.05	↓ -9.98%
DAARCOMM	0.56	-0.06	↓ -9.68%
REGALINS	0.43	-0.03	↓ -6.52%
VERITASKAP	1.20	-0.08	↓ -6.25%
GUINEAINS	0.45	-0.02	↓ -4.26%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.22%	↓ -0.95%	↓ -0.54%	↑ 29.89%
NSE BANKING INDEX	↑ 3.16%	↑ 7.66%	↑ 5.53%	↑ 16.41%
NSE INSURANCE INDEX	↓ -1.33%	↓ -1.54%	↓ -1.93%	↑ 36.33%
NSE INDUSTRIAL GOODS INDEX	↓ -0.06%	↑ 0.08%	↓ -0.07%	↑ 27.19%
NSE CONSUMER GOODS INDEX	↓ -0.05%	↑ 0.22%	↑ 0.39%	↑ 38.98%
NSE OIL & GAS INDEX	↑ 1.55%	↑ 2.83%	↑ 1.31%	↑ 124.13%

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