

MARKET COMMENTARY

System Liquidity

Following the OMO auction debit, system liquidity plunged further into negative territory, causing a significant surge in interbank rates. Specifically, the Overnight Policy Rate (OPR) rose by 2.09% to 31.90%, while the Overnight Rate (O/N) increased by 2.17% to 32.53%.

Outlook: We anticipate that interbank rates will remain elevated unless there is a significant change to the current liquidity status.

Treasury Bills

The treasury bills market had a quiet trading session as focus turned to the NTB auction. Despite this, there was limited interest in the long-term OMO bills at around the 23.00% level. In general, the average mid-rate for the benchmark NTB papers increased by 11 bps, closing 21.81%.

Outlook: We anticipate a mixed session tomorrow, as participants react to the NTB auction result.

FGN Bonds

The local bonds market experienced a quiet session with a bearish undertone, and only a few trades were executed across specific maturities. Overall, the average mid-yield settled at 18.88%.

Outlook: We expect a mixed theme tomorrow.

Eurobonds

The Eurobonds market saw mixed sentiments today, with participants reacting unpredictably to the election results. Early bullish pressures faded by the end of the session, leading to sideways trading in the Nigeria, Angola, and Egypt papers. Overall, the average mid-yield for Nigerian bonds settled at 9.66%.

Outlook: We expect the cautious trading to persist, ahead of tomorrow's US FOMC meeting.

BENCHMARK T-BILLS DISCOUNT RATES			
	06-Nov-24	05-Nov-24	Change in Rates
92 DAYS	22.97%	22.97%	→ 0.00%
183 DAYS	22.34%	22.34%	→ 0.00%
351 DAYS	20.30%	19.74%	↑ 0.56%

Source: FMDQ DQL for 06-Nov-2024

BENCHMARK FGN BOND YIELDS			
	06-Nov-24	05-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	20.42%	20.41%	↑ 0.01%
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 06-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	06-Nov-24	05-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.33%	9.36%	↓ -0.03%
10 YRS: NGERIA 7.375% 09/29/33	10.03%	10.05%	↓ -0.02%
15 YRS: NGERIA 7.696% 23/02/38	10.32%	10.34%	↓ -0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.51%	10.54%	↓ -0.03%
8.75% ETI 06/17/31*	8.82%	8.82%	→ 0.00%

Source: FBN UK Runs for 06-Nov-2024

NAFEM RATE (\$/N)		Diff.
6-Nov-24	1,681.65	
5-Nov-24	1,671.32	↑ 10.33

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
6-Nov-24	(2,305.90)	
5-Nov-24	238.55	↓ (2,544.45)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.13
AIICO BALANCED FUND	11.70
AIICO EUROBOND FUND	7.15

As of November 05, 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)	39.96 (+21.40% YTD as of 04-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*75.57 (-0.51 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market experienced a negative performance today, with the NGX-ASI dropping by 57 bps to close at 96,567.20 points. Market capitalization also fell to ₦58.51 trillion. This bearish trend was primarily due to profit-taking in UBA, OANDO, and TRANSCORP, which overshadowed the buying interest in ETL, ACCESSCORP, and FBNH. Sector-wise, the Insurance, Industrial Goods, and Oil & Gas indices saw gains, while the Banking and Consumer Goods indices declined.

Outlook: We expect mixed sentiments to persist.

Foreign Exchange

The Naira weakened by 62 bps against the USD, closing at ₦1,681.65 in the NAFEM window.

Outlook: We anticipate that the volatility will continue.

Commodities

Oil prices declined as the U.S. dollar surged following Donald Trump's presidential election victory. Investors anticipate that Trump's policies may strengthen the dollar, necessitating high interest rates to counter inflation, potentially pressuring China's economy and reducing demand. Consequently, Brent crude dropped to \$75.57, and WTI fell to \$72.22. Similarly, gold prices dropped significantly after Trump's projected win boosted the dollar to a four-month high. With the upcoming Fed rate decision, gold faces further downside risk, currently trading at \$2,673.00 per ounce.

Outlook: We expect this sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
EUNISELL	7.46	0.67	↑ 9.87%
REGALINS	0.47	0.04	↑ 9.30%
VERITASKAP	1.31	0.11	↑ 9.17%
DAARCOMM	0.61	0.05	↑ 8.93%
FCMB	9.75	0.70	↑ 7.73%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
UBA	31.55	-3.50	↓ -9.99%
OANDO	65.40	-7.25	↓ -9.98%
THOMASWY	1.75	-0.19	↓ -9.79%
NASCON	30.00	-2.55	↓ -7.83%
LASACO	2.22	-0.18	↓ -7.50%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.57%	↓ -1.49%	↓ -1.11%	↑ 29.15%
NSE BANKING INDEX	↓ -0.92%	↑ 4.85%	↑ 4.56%	↑ 15.33%
NSE INSURANCE INDEX	↑ 0.49%	↓ -0.34%	↓ -1.45%	↑ 37.00%
NSE INDUSTRIAL GOODS INDEX	↑ 0.03%	↓ -0.13%	↓ -0.04%	↑ 27.23%
NSE CONSUMER GOODS INDEX	↓ -0.13%	↑ 0.20%	↑ 0.26%	↑ 38.80%
NSE OIL & GAS INDEX	↑ 0.80%	↑ 3.42%	↑ 2.12%	↑ 125.91%

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