

## MARKET COMMENTARY

### System Liquidity

System liquidity stayed negative, though it showed slight improvement. Due to the tight market liquidity, funding rates across banks remained high. Consequently, the Overnight Policy Rate (OPR) increased by 13 bps to 32.03%, while the Overnight Rate (O/N) remained unchanged at 32.53%.

**Outlook:** We expect interbank rates to stay elevated, given that the liquidity situation is likely to remain unchanged.

### Treasury Bills

The treasury bills market saw some activity today, with significant interest focused on the newly issued 1-year paper, where most trades ranged between 22.00% and 22.40%. There was also some interest in the long-term OMO papers. Overall, the average mid-rate for the benchmark NTB papers rose by 10 bps, closing at 21.91%.

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

### FGN Bonds

The local bonds market saw an increase in yields across specific maturities, notably the Feb 2031, May 2033, Feb 2034, and Jun 2053 bonds. This rise was in response to the higher NTB stop rates observed at yesterday's auction. As a result, the average mid-yield climbed by 19 bps, settling at 19.07%.

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

### Eurobonds

The Eurobonds market experienced notable bullish sentiments in African sovereign papers, as investors positioned themselves in anticipation of another rate cut at today's FOMC meeting. There was strong buying activity in Nigeria, Angola, and Egypt, with most papers gaining over \$2. Consequently, the average mid-yield for Nigerian bonds decreased by 37 bps, settling at 9.29%.

**Outlook:** We expect the bullish theme to persist tomorrow.

#### BENCHMARK T-BILLS DISCOUNT RATES

	07-Nov-24	06-Nov-24	Change in Rates
91 DAYS	22.97%	22.97%	→ 0.00%
182 DAYS	22.34%	22.34%	→ 0.00%
350 DAYS	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 07-Nov-2024

#### BENCHMARK FGN BOND YIELDS

	07-Nov-24	06-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.75%	20.42%	↓ -0.67%
10 YRS: 19.00% 21-FEB-2034	20.00%	19.98%	↑ 0.02%
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 07-Nov-2024

#### BENCHMARK FGN EUROBOND YIELDS

	07-Nov-24	06-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.90%	9.33%	↓ -0.43%
10 YRS: NGERIA 7.375% 09/29/33	9.65%	10.03%	↓ -0.38%
15 YRS: NGERIA 7.696% 23/02/38	9.98%	10.32%	↓ -0.34%
30 YRS: NGERIA 8.25% 09/29/51	10.21%	10.51%	↓ -0.30%
8.75% ETI 06/17/31*	8.74%	8.82%	↓ -0.08%

Source: FBN UK Runs for 07-Nov-2024

#### NAFEM RATE (\$/N)

	Rate	Diff.
7-Nov-24	1,639.50	
6-Nov-24	1,681.65	↓ (42.15)

Source: FMDQ

#### SYS. LIQ. (N'BN)

	Value	Diff.
7-Nov-24	(938.10)	
6-Nov-24	(2,305.90)	↑ 1,367.81

Source: CBN

#### NAME OF FUND

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.92
AIICO BALANCED FUND	11.68
AIICO EUROBOND FUND	7.18

As of November 06, 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)	40.00 (+21.53% YTD as of 05-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*75.32 (-0.25 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market ended today's session on a positive note, with the NGX-ASI and market capitalization both rising by 37 bps to 96,924.86 points and ₦58.73 trillion, respectively. This upward trend was driven by gains in ARADEL, CONOIL and OANDO, bringing the ASI's year-to-date return to 29.62%. Sector-wise, four of the five major indices recorded gains: Insurance (+1.84%), Oil and Gas (+1.77%), Industrial Goods (+0.02%), and Consumer Goods (+0.01%). The Banking Index, however, declined by 0.38%.

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

## Foreign Exchange

The Naira appreciated by 2.51% against the USD at the NAFEM window, closing at ₦1,639.50.

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

## Commodities

Oil prices continued to decline, extending the sell-off initiated by the U.S. presidential election. The impact of a strong dollar and reduced crude imports in China outweighed the supply risks associated with a Trump presidency and production cuts from Hurricane Rafael. As a result, Brent crude fell to \$75.32, and WTI dropped to \$72.00. On the other hand, gold prices increased but remained near a three-week low, with market participants anticipating a rate cut decision from the U.S. Federal Reserve, currently trading at \$2,702.50 per ounce.

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

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ARADEL	441.20	40.11	↑ 10.00%
CONOIL	236.50	21.50	↑ 10.00%
EUNISELL	8.20	0.74	↑ 9.92%
JOHNHOLT	4.38	0.39	↑ 9.77%
THOMASWY	1.92	0.17	↑ 9.71%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
TANTALIZER	0.60	-0.04	↓ -6.25%
NGXGROUP	23.50	-1.45	↓ -5.81%
WEMABANK	7.55	-0.45	↓ -5.62%
RTBRISCOE	3.00	-0.14	↓ -4.46%
FCMB	9.40	-0.35	↓ -3.59%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.37%	↓ -0.74%	↓ -0.74%	↑ 29.62%
NSE BANKING INDEX	↓ -0.38%	↑ 4.16%	↑ 4.16%	↑ 14.89%
NSE INSURANCE INDEX	↑ 1.84%	↑ 0.36%	↑ 0.36%	↑ 39.52%
NSE INDUSTRIAL GOODS INDEX	↑ 0.02%	↓ -0.02%	↓ -0.02%	↑ 27.26%
NSE CONSUMER GOODS INDEX	↑ 0.01%	↑ 0.26%	↑ 0.26%	↑ 38.81%
NSE OIL & GAS INDEX	↑ 1.77%	↑ 3.93%	↑ 3.93%	↑ 129.91%

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