

Actionable Market Insights, delivered daily.



DATE: Thursday, 14 November 2024

MARKET COMMENTARY

System Liquidity

System liquidity worsened further within the deficit zone, leading to a 25 bps increase in the Overnight Policy Rate (OPR) to 32.18%, while the Overnight Rate (O/N) rose by 7 bps to 32.55%.

Outlook: We anticipate that interbank rates will remain high due to the CRR debits and FX settlements scheduled for tomorrow despite the credit of FGN bond coupons.

Treasury Bills

The Treasury bills market experienced a relatively calm session, although the overall sentiment was mixed. Selling interest was observed in the February and March bills, while some mild buying was observed in the November bills. Overall, the average mid-rate for the benchmark NTB securities was 21.96%.

Outlook: We expect the same sentiment to persist tomorrow.

FGN Bonds

Investor activity in the local bonds market remained cautious as they anticipate Monday's FGN bond auction. The DMO will reopen the 2029 and 2031 papers, offering ₦60 billion each. Consequently, the average mid-yield held steady at 19.07%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

The Eurobonds market experienced mixed sentiments. Initially calm, it turned mildly bullish due to lower jobless claims despite PPI data exceeding expectations (2.4% vs. 2.3% expected). This was followed by a brief selloff in Nigerian sovereign papers after announcing a \$1.7bn Eurobond and \$500m Sukuk issuance. However, the selling subsided, and most African markets closed stronger. Overall, the average mid-yield for Nigerian bonds settled at 9.44%.

Outlook: We expect a mixed theme tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES

	14-Nov-24	13-Nov-24	Change in Rates
84 DAYS	22.97%	22.97%	→ 0.00%
175 DAYS	22.39%	22.39%	→ 0.00%
343 DAYS	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 14-Nov-2024

BENCHMARK FGN BOND YIELDS

	14-Nov-24	13-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.76%	19.76%	→ 0.00%
10 YRS: 19.00% 21-FEB-2034	20.05%	20.05%	→ 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 14-Nov-2024

BENCHMARK FGN EUROBOND YIELDS

	14-Nov-24	13-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.04%	9.11%	↓ -0.07%
10 YRS: NGERIA 7.375% 09/29/33	9.82%	9.82%	→ 0.00%
15 YRS: NGERIA 7.696% 23/02/38	10.14%	10.16%	↓ -0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.36%	10.34%	↑ 0.02%
8.75% ETI 06/17/31*	8.91%	8.91%	→ 0.00%

Source: FBN UK Runs for 14-Nov-2024

NAFEM RATE (\$/₦)

		Diff.
14-Nov-24	1,650.20	
13-Nov-24	1,645.40	↑ 4.80

Source: FMDQ

SYS. LIQ. (₦'BN)

		Diff.
14-Nov-24	(245.57)	
13-Nov-24	(219.69)	↓ (25.88)

Source: CBN

NAME OF FUND

	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.62
AIICO BALANCED FUND	11.74
AIICO EUROBOND FUND	7.20

As of November 13, 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)	40.21 (+22.16% YTD as of 12-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.50 (+0.26 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

Today, the Nigerian stock market experienced a decline, with the NGX All-Share Index (ASI) and market capitalization dropping by 19 bps to close at 97,233.07 points and ₦58.91 trillion, respectively. This was due to selloffs in BUACEMENT, OANDO, ACCESSCORP, and CONOIL. The ASI's year-to-date return is now 30.04%. Sector performance was mixed, as 3 indices recorded gains, led by the Insurance Index, while the Industrial Goods and Oil & Gas indices recorded declines.

Outlook: We expect a mixed session tomorrow.

Foreign Exchange

The Naira depreciated by 29 bps against the USD at the NAFEM window, settling at ₦1,650.20 per dollar.

Outlook: We expect the volatility to persist.

Commodities

Oil prices recovered due to short-covering after dropping to near a two-week low in the previous session following OPEC's reduction in its demand forecast. Meanwhile, the dollar reached a seven-month high, which limited the gains in crude prices. As a result, Brent crude stabilized at \$72.50 per barrel, while WTI was about \$68.60. In contrast, gold prices continued to decline for the fourth consecutive session, influenced by a stronger dollar and rising bond yields in light of the news that U.S. consumer prices increased in October. Gold was trading at around \$2,581.10 per ounce.

Outlook: We expect this sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
FLOURMILL	71.50	6.50	↑ 10.00%
TIP	2.53	0.23	↑ 10.00%
JOHNHOLT	7.02	0.63	↑ 9.86%
INTENEGINS	1.45	0.13	↑ 9.85%
SUNUASSUR	2.48	0.22	↑ 9.73%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ABBEYBDS	2.40	-0.26	↓ -9.77%
ABCTRANS	1.15	-0.12	↓ -9.45%
CONOIL	242.04	-15.86	↓ -6.15%
BUACEMENT	89.30	-5.63	↓ -5.93%
CUSTODIAN	12.04	-0.60	↓ -4.76%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.19%	↑ 0.32%	↓ -0.43%	↑ 30.04%
NSE BANKING INDEX	↑ 0.53%	↑ 1.43%	↑ 5.65%	↑ 16.54%
NSE INSURANCE INDEX	↑ 0.95%	↑ 0.57%	↑ 0.93%	↑ 40.32%
NSE INDUSTRIAL GOODS INDEX	↓ -1.85%	↓ -1.89%	↓ -1.91%	↑ 24.86%
NSE CONSUMER GOODS INDEX	↑ 0.56%	↓ -0.04%	↑ 0.23%	↑ 38.75%
NSE OIL & GAS INDEX	↓ -1.31%	↓ -0.24%	↑ 3.68%	↑ 129.35%

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