

DATE: Monday, 18 November 2024

MARKET COMMENTARY

System Liquidity

Today, opening system liquidity declined but remained strong. Nonetheless, the Overnight Policy Rate (OPR) fell by 91bps to 25.18%, while the Overnight Rate (O/N) decreased by 1.19% to 25.69%.

Outlook: We expect interbank rates to remain stable but trend higher on Wednesday due to the FGN bond auction settlement.

Treasury Bills

The Treasury bills market had a relatively calm session, although the overall sentiment was bearish as investors remained cautious ahead of Wednesday's NTB auction. Selling interest was mainly observed in the far-mid and long-dated securities, particularly the 06 Nov 2025 NTB. As a result, the average mid-rate for the benchmark NTB securities increased by 57 bps to 22.52%.

Outlook: We expect the same sentiment to persist tomorrow.

FGN Bonds

Investor participation in the local bonds market was subdued as attention shifted to the FGN bond auction. As a result, the average mid-yield remained stable at 19.07%.

Outlook: We expect the auction results to drive trading sentiment tomorrow.

Eurobonds

The Eurobonds market maintained a downward trend, with significant selling activity observed in African bonds as investors continued to react to the likelihood of less aggressive rate cuts from the US Federal Reserve. There was some selective buying in longer-term Angolan bonds, supported by a minor rise in oil prices. Overall, the average mid-yield for Nigerian bonds rose by 13 bps to settle at 9.75%.

Outlook: We expect a mixed theme tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	18-Nov-24	15-Nov-24	Change in Rates
94 DAYS	23.90%	22.97%	↑ 0.93%
185 DAYS	22.25%	22.39%	↓ -0.14%
339 DAYS	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 18-Nov-2024

BENCHMARK FGN BOND YIELDS			
	18-Nov-24	15-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.77%	19.76%	↑ 0.01%
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 18-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	18-Nov-24	15-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.37%	9.22%	↑ 0.15%
10 YRS: NGERIA 7.375% 09/29/33	10.11%	10.01%	↑ 0.10%
15 YRS: NGERIA 7.696% 23/02/38	10.44%	10.32%	↑ 0.12%
30 YRS: NGERIA 8.25% 09/29/51	10.66%	10.51%	↑ 0.15%
8.75% ETI 06/17/31*	8.92%	9.00%	↓ -0.08%

Source: FBN UK Runs for 18-Nov-2024

NAFEM RATE (\$/N)		Diff.
18-Nov-24	1,652.25	
15-Nov-24	1,652.25	→ 0.00

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
18-Nov-24	312.21	
15-Nov-24	396.75	↓ (84.54)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.54
AIICO BALANCED FUND	12.29
AIICO EUROBOND FUND	7.20

As of November 17, 2024

MACRO INDICATORS	
GDP (Q2 2024)	+3.19% (Q1: 2023 +2.98% y/y)
INFLATION (SEPTEMBER'2024)	33.88% (Sep'24: 32.70%)
EXTERNAL RESERVE (US\$ BILLION)	40.27 (+22.37% YTD as of 15-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.10 (+1.52 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market resumed trading on a slightly positive note, building on last week's performance. The NGX All-Share Index (ASI) and market capitalization increased by 3 bps, closing at 97,747.27 points and ₦59.23 trillion, respectively. This upward movement was driven by a buying interest in WAPCO, which countered sell-offs in ACCESSCORP, TRANSCORP, and GTCO. Consequently, the ASI's year-to-date return has risen to 30.72%. Sector performance was varied, with three indices experiencing declines, predominantly the Banking Index, while the Insurance and Industrial Goods indices showed gains.

Outlook: We expect a mixed session tomorrow.

Foreign Exchange

The Naira remained stable against the USD at the interbank NAFEM window, settling at \$/₦1,652.25.

Outlook: We expect the Naira to keep trading around the \$/₦1,600 level.

Commodities

Oil prices rose slightly as hostilities between Russia and Ukraine escalated over the weekend. However, fears surrounding fuel demand in China and expectations of a global oil surplus put pressure on the markets. Consequently, Brent crude climbed to \$73.10 per barrel, while WTI rose to approximately \$68.98. Similarly, gold prices recovered after experiencing losses for six consecutive sessions, with the increase attributed to a halt in the U.S. dollar's ascent. Investors look forward to insights from Federal Reserve officials for guidance on the future direction of interest rates. Gold was priced at about \$2,617.70 per ounce.

Outlook: We expect this sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
JOHNHOLT	8.49	0.77	↑ 9.97%
BETAGLAS	49.85	4.50	↑ 9.92%
EUNISELL	13.18	1.19	↑ 9.92%
WAPCO	46.00	4.00	↑ 9.52%
TANTALIZER	0.82	0.07	↑ 9.33%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
MECURE	11.70	-1.25	↓ -9.65%
TIP	2.30	-0.23	↓ -9.09%
THOMASWY	1.75	-0.17	↓ -8.85%
UPL	3.65	-0.31	↓ -7.83%
CHAMPION	3.52	-0.26	↓ -6.88%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.03%	↑ 0.38%	↑ 0.10%	↑ 30.72%
NSE BANKING INDEX	↓ -0.58%	↑ 2.55%	↑ 5.79%	↑ 16.69%
NSE INSURANCE INDEX	↑ 0.42%	↑ 3.03%	↑ 3.54%	↑ 43.93%
NSE INDUSTRIAL GOODS INDEX	↑ 0.66%	↑ 0.50%	↑ 0.43%	↑ 27.83%
NSE CONSUMER GOODS INDEX	↓ -0.27%	↑ 0.43%	↑ 0.58%	↑ 39.25%
NSE OIL & GAS INDEX	↓ -0.08%	↓ -0.52%	↑ 4.97%	↑ 132.20%

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