

DATE: Thursday, 21 November 2024

MARKET COMMENTARY

System Liquidity

Liquidity in the system weakened due to the settlement of the NTB auction which resulted in a net debit of ₦83.04 billion. As a result, interbank rates rose further, with the Overnight Policy Rate (OPR) increasing by 55 bps to 32.25% and the Overnight Rate (O/N) climbing by 58 bps to 32.83%.

Outlook: We expect short-term interbank rates to remain elevated as we await FAAC credits. The recent FAAC meeting approved ₦1.41 trillion for distribution among the three tiers of government, with c.₦667 billion anticipated to enter the system.

Treasury Bills

The activity in the Treasury bills market today was predominantly positive, particularly for the newly issued 1-year NTB paper (20 November 2025), which attracted considerable interest at around 22.70 - 23.00%. Investors seemed eager to capitalize on its appealing yield and secure their investments. In general, the average mid-rate for the benchmark NTB securities ended at 22.86%.

Outlook: We expect the same sentiment to persist tomorrow.

FGN Bonds

The local bond market experienced mixed sentiments, with sideways interest noted in the Feb 2031 and May 2033 bonds. Overall, the average mid-yield was 19.30%.

Outlook: We anticipate a mixed trading session tomorrow.

Eurobonds

The Eurobonds market exhibited a positive theme, with buying interest noted, although it was less aggressive, particularly in Nigerian and Angolan papers. Consequently, the average mid-yield for Nigerian bonds fell by 8 bps, closing at 9.56%. In other developments, Ivory Coast introduced its budget draft for 2025, demonstrating a commitment to fiscal discipline with an anticipated deficit reduction of 3% of GDP for the upcoming year. Meanwhile, Kenya received a \$200 million funding increase from the African Development Bank (AfDB), bolstering its development financing initiatives.

Outlook: We expect the same sentiment to persist.

BENCHMARK T-BILLS DISCOUNT RATES

	21-Nov-24	20-Nov-24	Change in Rates
91 DAYS	24.13%	23.90%	↑ 0.23%
182 DAYS	22.25%	22.25%	→ 0.00%
336 DAYS	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 21-Nov-2024

BENCHMARK FGN BOND YIELDS

	21-Nov-24	20-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.77%	19.77%	→ 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 21-Nov-2024

NAFEM RATE (\$/₦)

	21-Nov-24	20-Nov-24	Diff.
	1,658.67	1,687.52	↓ (28.85)

Source: FMDQ

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	21-Nov-24	20-Nov-24	Diff.
	(492.95)	(330.46)	↓ (162.49)

Source: CBN

NAME OF FUND

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.87
AIICO BALANCED FUND	13.50
AIICO EUROBOND FUND	7.23

As of November 20, 2024

BENCHMARK FGN EUROBOND YIELDS

	21-Nov-24	20-Nov-24	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.12%	9.19%	↓	-0.07%
10 YRS: NGERIA 7.375% 09/29/33	9.96%	10.01%	↓	-0.05%
15 YRS: NGERIA 7.696% 23/02/38	10.32%	10.34%	↓	-0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.56%	10.57%	↓	-0.01%
8.75% ETI 06/17/31*	8.83%	8.74%	↑	0.09%

Source: FBN UK Runs for 21-Nov-2024

MACRO INDICATORS

GDP (Q2 2024)	+3.19% (Q1: 2023 +2.98% y/y)
INFLATION (OCTOBER'2024)	33.88% (Sep'24: 32.70%)
EXTERNAL RESERVE (US\$ BILLION)	40.28 (+22.38% YTD as of 20-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.03 (+0.32 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market experienced a pullback from its recent upward trend, with the NGX All-Share Index (ASI) and market capitalization falling by 24 bps to close at 97,992.55 points and ₦59.39 trillion, respectively. This dip in performance was influenced by selloffs in OANDO, GTCO, ACCESSCORP, PRESCO, and UBA, which counterbalanced the buying momentum in WAPCO. As a result, the year-to-date return for the ASI decreased to 31.05%. Performance across different sectors varied, as the Insurance, Industrial Goods, and Consumer Goods Indices recorded increases, while the Banking Index experienced the most significant decline, followed closely by the Oil & Gas Index.

Outlook: We expect that this sentiment will persist.

Foreign Exchange

At the NAFEM window, the naira gained 1.71% in value against the USD, trading between \$/₦1,631.00 and \$/₦1,707.50, ultimately closing at \$/₦1,658.67.

Outlook: We anticipate the Naira will keep trading within the same range.

Commodities

Oil prices climbed as Russia and Ukraine exchanged missile attacks, overshadowing a larger-than-expected rise in U.S. crude supplies. Brent crude increased to \$74.03 per barrel and WTI reached approximately \$69.95. Meanwhile, spot gold rose for the fourth straight session, reaching its highest level in over a week. This surge was driven by safe-haven demand due to Nvidia's disappointing revenue outlook and growing tensions between Russia and Ukraine, with gold priced at about \$2,672 per ounce.

Outlook: We expect this sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
AUSTINLAZ	2.42	0.22	↑ 10.00%
EUNISELL	17.52	1.59	↑ 9.98%
HMCALL	4.64	0.42	↑ 9.95%
HONYFLOUR	4.98	0.45	↑ 9.93%
SUNUASSUR	2.99	0.27	↑ 9.93%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
WAPIC	1.01	-0.11	↓ -9.82%
UPL	3.50	-0.35	↓ -9.09%
SOVRENINS	0.61	-0.06	↓ -8.96%
UNIVINSURE	0.31	-0.03	↓ -8.82%
JAPAULGOLD	2.11	-0.19	↓ -8.26%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.24%	↑ 0.78%	↑ 0.35%	↑ 31.05%
NSE BANKING INDEX	↓ -1.16%	↓ -0.73%	↑ 4.88%	↑ 15.69%
NSE INSURANCE INDEX	↑ 0.26%	↑ 5.63%	↑ 6.62%	↑ 48.21%
NSE INDUSTRIAL GOODS INDEX	↑ 0.21%	↑ 3.97%	↑ 1.98%	↑ 29.81%
NSE CONSUMER GOODS INDEX	↑ 0.39%	↑ 2.10%	↑ 2.33%	↑ 41.67%
NSE OIL & GAS INDEX	↓ -0.33%	↑ 1.17%	↑ 4.89%	↑ 132.04%

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