

DATE: Monday, 25 November 2024

MARKET COMMENTARY

System Liquidity

System liquidity remained weak and continued to be negative, although there was a slight improvement compared to the closing figures from the previous week. As a result, the Overnight Policy Rate (OPR) decreased by 13 bps to 32.06%, while the Overnight Rate (O/N) fell by 25 bps to 32.56%.

Outlook: We expect short-term interbank rates to remain elevated as we await FAAC credits.

Treasury Bills

Today's activity in the Treasury bills market was positive. Most transactions focused on the 20-Nov-2025 paper as investors took advantage of its attractive yield. As a result, the average mid-rate for the benchmark NTB papers fell by 2 bps to 22.76%.

Outlook: We expect a calm session tomorrow as market participants focus on the MPC meeting.

FGN Bonds

The domestic bond market experienced subdued sentiments, with minimal interest noted in the February 2031 paper; however, the transaction volumes were sparse. In general, the average mid-yield stayed unchanged at 19.49%.

Outlook: We expect cautious trading sentiment as attention shifts to the MPC meeting.

Eurobonds

The Eurobonds market showed positive activity, with increased buying interest across the curve, particularly in Nigeria, Angola, and Egypt papers. As a result, the average mid-yield for Nigerian bonds decreased by 11 bps, closing at 9.49%.

Outlook: We expect the same sentiment to persist.

BENCHMARK T-BILLS DISCOUNT RATES			
	25-Nov-24	22-Nov-24	Change in Rates
87 DAYS	23.69%	23.69%	→ 0.00%
178 DAYS	22.25%	22.25%	→ 0.00%
332 DAYS	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 25-Nov-2024

BENCHMARK FGN BOND YIELDS			
	25-Nov-24	22-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.78%	19.77%	↑ 0.01%
10 YRS: 19.00% 21-FEB-2034	20.05%	20.05%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.01%	19.00%	↑ 0.01%
30 YRS: 15.70% 21-JUN-2053	16.98%	16.98%	→ 0.00%

Source: FMDQ DQL for 25-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	25-Nov-24	22-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.01%	9.08%	↓ -0.07%
10 YRS: NGERIA 7.375% 09/29/33	9.92%	10.01%	↓ -0.09%
15 YRS: NGERIA 7.696% 23/02/38	10.24%	10.36%	↓ -0.12%
30 YRS: NGERIA 8.25% 09/29/51	10.49%	10.59%	↓ -0.10%
8.75% ETI 06/17/31*	8.83%	8.83%	→ 0.00%

Source: FBN UK Runs for 25-Nov-2024

NAFEM RATE (\$/N)			Diff.
25-Nov-24	1,675.62		
22-Nov-24	1,652.62	↑	23.00

Source: FMDQ

SYS. LIQ. (N'BN)			Diff.
25-Nov-24	(269.71)		
22-Nov-24	(321.54)	↑	51.84

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.87
AIICO BALANCED FUND	13.18
AIICO EUROBOND FUND	7.15

As of November 24, 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	*73.91 (-1.03 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market began the week with a downward trend, as the NGX All-Share Index (ASI) and market capitalization declined by 21 bps, closing at 97,626.27 points and ₦59.16 trillion, respectively. Selloffs in GTCO, ZENITHBANK, STANBIC, and WAPCO drove this decline in performance. Consequently, the year-to-date return for the ASI fell to 30.56%. Performance across various sectors was also negative, with the Banking index showing the most significant decline. Only the Insurance index experienced a positive performance.

Outlook: We expect a mixed theme tomorrow.

Foreign Exchange

At the NAFEM window, the naira depreciated by 1.39% against the USD, fluctuating between \$/₦1,660.44 and \$/₦1,703.00, finally closing at \$/₦1,675.62.

Outlook: We expect the Naira to continue trading within the same range.

Commodities

Oil prices dropped roughly 2% after Axios reported an agreement between Israel and Lebanon to resolve the Israel-Hezbollah conflict, according to a senior U.S. official. Brent crude fell to \$73.91 per barrel, while WTI was around \$69.93. Additionally, gold prices plummeted nearly 3%, ending a five-session rally as the potential ceasefire and Trump's Treasury Secretary nomination diminished its safe-haven allure, with gold at approximately \$2,634.78 per ounce.

Outlook: We expect this sentiment to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
HMCALL	5.61	0.51	↑ 10.00%
SUNUASSUR	3.47	0.31	↑ 9.81%
NCR	4.74	0.42	↑ 9.72%
SOVRENINS	0.69	0.06	↑ 9.52%
TANTALIZER	1.29	0.11	↑ 9.32%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
NSLTECH	0.55	-0.06	↓ -9.84%
DAARCOMM	0.56	-0.06	↓ -9.68%
AUSTINLAZ	2.41	-0.25	↓ -9.40%
GUINEAINS	0.50	-0.05	↓ -9.09%
LASACO	2.33	-0.22	↓ -8.63%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.21%	↓ -0.12%	↓ -0.03%	↑ 30.56%
NSE BANKING INDEX	↓ -1.60%	↓ -3.57%	↑ 2.02%	↑ 12.53%
NSE INSURANCE INDEX	↑ 0.69%	↑ 4.83%	↑ 8.54%	↑ 50.89%
NSE INDUSTRIAL GOODS INDEX	↓ -0.16%	↑ 0.92%	↑ 1.36%	↑ 29.02%
NSE CONSUMER GOODS INDEX	↓ -0.03%	↑ 2.17%	↑ 2.76%	↑ 42.27%
NSE OIL & GAS INDEX	↓ -0.24%	↑ 0.02%	↑ 4.98%	↑ 132.24%

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