

DATE: Tuesday, 26 November 2024

MARKET COMMENTARY

System Liquidity

System liquidity fell deeper into negative territory. Consequently, interbank rates stayed high, with the Overnight Policy Rate (OPR) settling at 32.00%, while the Overnight Rate (O/N) rose by 15 bps to 32.71%.

Outlook: We anticipate that short-term interbank rates will stay high while we wait for FAAC credits.

Treasury Bills

The Treasury bills market experienced a quiet theme as players remained cautious while awaiting the MPC's decision at today's meeting. Consequently, the average mid-rate for the benchmark NTB papers stayed unchanged at 22.76%.

Outlook: Following the 25-bps hike in the benchmark interest rate to 27.50%, we anticipate mixed activity tomorrow.

FGN Bonds

Due to the MPC meeting, the local FGN bond market experienced a calm session with weak interest in mid-dated papers. Overall, the average mid-yield increased by 5 bps to 19.54%.

Outlook: We expect a mixed session tomorrow.

Eurobonds

The Eurobonds market faced a setback today due to geopolitical factors, proposed tariffs by the President-elect of the United States, and ongoing production discussions by OPEC+. Nigeria and Angola, referred to as the Oilers, experienced the most significant price decline, with Angola dropping as much as \$1.15. Consequently, the average mid-yield for Nigerian bonds rose by 11 bps, closing at 9.60%.

Outlook: We expect mixed sentiments tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	26-Nov-24	25-Nov-24	Change in Rates
86 DAYS	23.69%	23.69%	➔ 0.00%
177 DAYS	22.25%	22.25%	➔ 0.00%
331 DAYS	20.30%	20.30%	➔ 0.00%

Source: FMDQ DQL for 26-Nov-2024

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

Source: FMDQ DQL for 26-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	26-Nov-24	25-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.08%	9.01%	⬆️ 0.07%
10 YRS: NGERIA 7.375% 09/29/33	9.97%	9.92%	⬆️ 0.05%
15 YRS: NGERIA 7.696% 23/02/38	10.30%	10.24%	⬆️ 0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.58%	10.49%	⬆️ 0.09%
8.75% ETI 06/17/31*	8.92%	8.83%	⬆️ 0.09%

Source: FBN UK Runs for 26-Nov-2024

NAFEM RATE (\$/N)		Diff.
26-Nov-24	1,659.44	
25-Nov-24	1,675.62	↓ (16.18)

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
26-Nov-24	(438.02)	
25-Nov-24	(269.71)	↓ (168.31)

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 (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
INFLATION (OCTOBER'2024)	33.88% (Sep'24: 32.70%)
EXTERNAL RESERVE (US\$'BILLION)	40.26 (+22.32% YTD as of 25-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.91 (+0.00 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market saw a slight recovery today, with the NGX All-Share Index (ASI) and market capitalization increasing modestly by 1 bp, closing at 97,639.88 points and ₦59.17 trillion, respectively. This increase was driven by renewed investor interest in WAPCO, which counterbalanced the selloffs in MTNN, OANDO, UBA, and ACCESSCORP. As a result, the year-to-date return for the ASI rose to 30.58%. Performance across different sectors was generally positive, with four out of the five major indices showing gains, while only the Banking index experienced a downturn.

Outlook: We expect a mixed theme tomorrow.

Foreign Exchange

At the NAFEM window, dollar liquidity improved, leading to a 97-bp appreciation of the naira against the USD. The exchange rate fluctuated between \$/₦1,661 and \$/₦1,705.00, ultimately closing at \$/₦1,659.44.

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

Commodities

Oil prices declined as traders monitored OPEC+ talks regarding production and speculated on the effects of President-elect Donald Trump's proposed trade tariffs on Mexico and Canada. Brent crude dropped to \$72.28 per barrel, and WTI was around \$68.23. Meanwhile, gold prices fell to a week's low, influenced by easing safe-haven demand amid hopes for an Israel-Hezbollah ceasefire, settling at approximately \$2,626.82 per ounce.

Outlook: We anticipate that geopolitical factors will continue to influence market sentiments.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
HMCALL	6.17	0.56	↑ 9.98%
SUNUASSUR	3.81	0.34	↑ 9.80%
JAPAULGOLD	2.37	0.21	↑ 9.72%
PRESTIGE	0.91	0.08	↑ 9.64%
NEIMETH	2.18	0.19	↑ 9.55%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
MULTIVERSE	5.90	-0.65	↓ -9.92%
TANTALIZER	1.17	-0.12	↓ -9.30%
UNIVINSURE	0.32	-0.02	↓ -5.88%
RTBRISCOE	2.66	-0.16	↓ -5.67%
GUINNESS	62.00	-3.00	↓ -4.62%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.01%	↓ -0.34%	↓ -0.01%	↑ 30.58%
NSE BANKING INDEX	↓ -0.21%	↓ -4.01%	↑ 1.80%	↑ 12.29%
NSE INSURANCE INDEX	↑ 0.91%	↑ 3.81%	↑ 9.53%	↑ 52.26%
NSE INDUSTRIAL GOODS INDEX	↑ 0.76%	↑ 1.14%	↑ 2.12%	↑ 29.99%
NSE CONSUMER GOODS INDEX	↑ 0.09%	↑ 2.00%	↑ 2.86%	↑ 42.39%
NSE OIL & GAS INDEX	↑ 0.36%	↑ 0.03%	↑ 5.36%	↑ 133.09%

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