

DATE: Wednesday, 27 November 2024

## MARKET COMMENTARY

### System Liquidity

System liquidity improved slightly but continued to be negative. As a result, interbank rates remained elevated, with the Overnight Policy Rate (OPR) falling by 22 bps to 31.78% and the Overnight Rate (O/N) decreasing by 21 bps to 32.50%.

**Outlook:** We anticipate that interbank rates will stay at current levels, pending FAAC credits.

### Treasury Bills

The Treasury bills market experienced some activity with a mixed tone. There were strong bullish sentiments for the October and November papers, particularly the 23 October and 20 November 2025 NTBs, while there was a dominance of offers for the February and March 2025 papers. Overall, the average mid-rate for the benchmark NTB papers increased slightly by 2 bps, settling at 22.78%.

**Outlook:** We expect a mixed to bullish theme tomorrow.

### FGN Bonds

The domestic bond market experienced a quiet session, with limited activity noted in April 2029, February 2031, February 2034, and June 2053 securities. Overall, the average mid-yield stayed relatively stable at 19.54%.

**Outlook:** We expect a mixed session tomorrow.

### Eurobonds

The Eurobonds market recovered today as ceasefire discussions between Israel and Hezbollah continued, generating positive sentiment in African sovereign bonds, particularly in Nigeria, Angola, and Egypt. As a result, the average mid-yield for Nigerian bonds fell by 6 bps, settling at 9.55%. In related updates, Core PCE prices in the US rose by 2.8% year-on-year in October 2024, marking a six-month high, while the US economy grew at an annualized rate of 2.8% in Q3 2024, unchanged from earlier projections and down from 3% in Q2.

**Outlook:** We expect mixed sentiments tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	27-Nov-24	26-Nov-24	Change in Rates
85 DAYS	23.69%	23.69%	→ 0.00%
176 DAYS	22.25%	22.25%	→ 0.00%
330 DAYS	21.77%	20.30%	↑ 1.47%

Source: FMDQ DQL for 27-Nov-2024

BENCHMARK FGN BOND YIELDS			
	27-Nov-24	26-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 27-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	27-Nov-24	26-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%	9.97%	↓ -0.05%
15 YRS: NGERIA 7.696% 23/02/38	10.22%	10.30%	↓ -0.08%
30 YRS: NGERIA 8.25% 09/29/51	10.52%	10.58%	↓ -0.06%
8.75% ETI 06/17/31*	8.92%	8.92%	→ 0.00%

Source: FBN UK Runs for 27-Nov-2024

NAFEM RATE (\$/N)		Diff.
27-Nov-24	1,660.83	
26-Nov-24	1,659.44	↑ 1.39

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
27-Nov-24	(412.93)	
26-Nov-24	(438.02)	↑ 25.09

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.02
AIICO BALANCED FUND	13.26
AIICO EUROBOND FUND	7.20

As of November 26, 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	*72.89 (-1.02 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market experienced mixed sentiments but ultimately ended negatively, with the NGX All-Share Index (ASI) and market capitalization dropping by 34 bps, closing at 97,296.57 points and ₦58.96 trillion, respectively. This decline was mainly due to selling pressure in ARADEL and NB, which outpaced the buying activity in OANDO. Consequently, the year-to-date return for the ASI declined to 30.12%. Overall performance in different sectors was mixed, with the Insurance, Industrial Goods, and Oil & Gas Indices posting gains. At the same time, the Banking and Consumer Goods indices fell into negative territory.

**Outlook:** We expect the sentiment to remain mixed tomorrow.

## Foreign Exchange

At the NAFEM window, the Naira depreciated by 8bps against the USD, closing at ₦1,660.83 per dollar.

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

## Commodities

Oil prices remained stable as markets assessed a ceasefire agreement between Israel and Hezbollah while also looking forward to the upcoming OPEC+ meeting on Sunday, where a potential postponement of a planned oil output increase could occur. Brent crude fell to \$72.89 per barrel, while WTI was approximately \$68.86. In contrast, gold prices rose slightly from a previous low, buoyed by a weaker dollar, settling around \$2,640.87 per ounce despite reduced geopolitical tensions that usually lower gold's appeal.

**Outlook:** We expect that geopolitical factors will continue to affect market sentiments.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
SUNUASSUR	4.19	0.38	↑ 9.97%
GUINEAINS	0.53	0.04	↑ 8.16%
CONOIL	276.00	16.99	↑ 6.56%
DAARCOMM	0.65	0.04	↑ 6.56%
NASCON	32.40	1.90	↑ 6.23%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
JOHNHOLT	9.90	-1.10	↓ -10.00%
ARADEL	473.30	-52.47	↓ -9.98%
ETERNA	22.35	-2.45	↓ -9.88%
HMCALL	5.65	-0.52	↓ -8.43%
UPDC	1.47	-0.13	↓ -8.12%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.34%	↓ -0.95%	↓ -0.36%	↑ 30.12%
NSE BANKING INDEX	↓ -0.07%	↓ -3.93%	↑ 1.95%	↑ 12.45%
NSE INSURANCE INDEX	↑ 2.17%	↑ 4.28%	↑ 10.89%	↑ 54.15%
NSE INDUSTRIAL GOODS INDEX	↑ 0.78%	↑ 0.37%	↑ 2.14%	↑ 30.02%
NSE CONSUMER GOODS INDEX	↓ -0.25%	↑ 0.56%	↑ 2.51%	↑ 41.91%
NSE OIL & GAS INDEX	↑ 1.39%	↑ 1.14%	↑ 6.44%	↑ 135.46%

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