

DATE: Thursday, 28 November 2024

MARKET COMMENTARY

System Liquidity

System liquidity improved significantly today, supported by FAAC inflows. However, the illiquidity in the interbank market continued, as it remained in the deficit region. Overall, interbank rates experienced some relief, with the Overnight Policy Rate (OPR) decreasing by 1.97% to 29.81% and the Overnight Rate (O/N) falling by 2.00% to 30.50%.

Outlook: We anticipate that interbank rates will stay at current levels.

Treasury Bills

The Treasury bills market showed mixed sentiments, with most interest concentrated on the October and November 2025 papers. Overall, the average mid-rate for the benchmark NTB papers decreased by 8 bps, settling at 22.71%.

Outlook: We expect a mixed to bullish theme tomorrow.

FGN Bonds

The domestic bond market traded on a mixed to bullish note, supported by FAAC inflows and showing continued interest in the April 2029, February 2031, and February 2034 bonds. Overall, the average mid-yield declined by 16 bps to 19.38%.

Outlook: We expect a mixed session tomorrow.

Eurobonds

The Eurobonds market experienced a subdued session with extremely low trading volumes seen throughout the African curves owing to the US Thanksgiving holiday. Consequently, the average mid-yield for Nigerian bonds held steady at 9.55%.

Outlook: We expect mild activity tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	28-Nov-24	27-Nov-24	Change in Rates
84 DAYS	23.69%	23.69%	→ 0.00%
175 DAYS	22.25%	22.25%	→ 0.00%
329 DAYS	21.77%	21.77%	→ 0.00%

Source: FMDQ DQL for 28-Nov-2024

BENCHMARK FGN BOND YIELDS			
	28-Nov-24	27-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	20.88%	20.05%	↑ 0.83%
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 28-Nov-2024

BENCHMARK FGN EUROBOND YIELDS			
	28-Nov-24	27-Nov-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.01%	9.01%	→ 0.00%
10 YRS: NGERIA 7.375% 09/29/33	9.92%	9.92%	→ 0.00%
15 YRS: NGERIA 7.696% 23/02/38	10.22%	10.22%	→ 0.00%
30 YRS: NGERIA 8.25% 09/29/51	10.52%	10.52%	→ 0.00%
8.75% ETI 06/17/31*	8.92%	8.92%	→ 0.00%

Source: FBN UK Runs for 28-Nov-2024

NAFEM RATE (\$/N)		Diff.
28-Nov-24	1,644.86	
27-Nov-24	1,660.83	↓ (15.97)

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
28-Nov-24	(270.62)	
27-Nov-24	(412.93)	↑ 142.31

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)	40.24 (+22.25% YTD as of 27-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.79 (-0.10 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market experienced a rebound today, with the NGX All-Share Index (ASI) rising by 50 bps to end at 97,783.81 points and a market capitalization of ₦59.27 trillion. This positive performance was driven by increased buying activity in several stocks, including ARADEL (+9.23%) and OANDO (+5.40%). The year-to-date ASI return has now reached 30.77%. Overall, three out of five tracked indices showed gains, particularly in Banking (+0.74%), Insurance (+0.23%), and Industrial Goods (+0.15%), while Oil & Gas and Consumer Goods indices saw slight declines.

Outlook: We expect mixed trading performance tomorrow.

Foreign Exchange

At the NAFEM window, the Naira strengthened by 96 bps against the USD, attributed to a rise in inflows from foreign portfolio investors and International Oil Companies (IOCs). Most transactions occurred between \$/₦1617.02 and \$/₦1702.00, ultimately closing at ₦1,644.86 per dollar.

Outlook: We anticipate that the Naira will continue to trade around the \$/₦1,600 level.

Commodities

Oil prices dipped as an unexpected increase in U.S. gasoline inventories raised concerns about demand during the Thanksgiving holiday. Brent crude was priced at \$72.79 per barrel, with WTI around \$68.71. Likewise, gold prices decreased due to a stronger U.S. dollar, as investors analyzed recent economic data indicating stalled inflation progress. This situation hints that the Federal Reserve may be cautious about implementing further interest rate cuts, with gold settling at approximately \$2,627.60 per ounce.

Outlook: We expect geopolitical and macroeconomic factors to continue affecting market sentiments.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
VITAFIOM	23.50	2.10	↑ 9.81%
ARADEL	517.00	43.69	↑ 9.23%
FTNCOCOA	1.93	0.14	↑ 7.82%
SOVRENINS	0.68	0.04	↑ 6.25%
OANDO	65.35	3.35	↑ 5.40%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
PRESTIGE	0.81	-0.09	↓ -10.00%
UNILEVER	26.65	-2.95	↓ -9.97%
AUSTINLAZ	2.17	-0.24	↓ -9.96%
JOHNHOLT	8.92	-0.98	↓ -9.90%
ETERNA	20.80	-1.55	↓ -6.94%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.50%	↓ -0.21%	↑ 0.14%	↑ 30.77%
NSE BANKING INDEX	↑ 0.74%	↓ -2.08%	↑ 2.70%	↑ 13.28%
NSE INSURANCE INDEX	↑ 0.23%	↑ 4.25%	↑ 11.15%	↑ 54.51%
NSE INDUSTRIAL GOODS INDEX	↑ 0.15%	↑ 0.31%	↑ 2.30%	↑ 30.22%
NSE CONSUMER GOODS INDEX	↓ -0.11%	↑ 0.06%	↑ 2.39%	↑ 41.76%
NSE OIL & GAS INDEX	↓ -0.50%	↑ 0.97%	↑ 5.91%	↑ 134.29%

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