

Actionable Market Insights, delivered daily.



DATE: Monday, 02 December 2024

MARKET COMMENTARY

System Liquidity

System liquidity improved significantly, supported by outstanding FAAC disbursements, remita inflows, and other inflows credited into the market. As a result, the interbank rates eased; specifically, the Overnight Policy Rate (OPR) decreased by 2.07% to 27.18%, and the Overnight Rate (O/N) fell by 2.02% to 27.89%.

Outlook: We anticipate that interbank rates will stay at current levels, barring any significant debit.

Treasury Bills

The Treasury bills market experienced mixed to bullish sentiments, with sideways interest in the long end of the yield curve, particularly in the November 2025 papers. However, trading volumes were thin. Overall, the average mid-rate for the benchmark NTB papers decreased by 6 bps, settling at 22.59%.

Outlook: We expect a mixed to bullish theme tomorrow.

FGN Bonds

The domestic bond market experienced a calm trading session with mixed sentiments across specific bonds, notably those maturing in April 2029, February 2031, May 2033, and February 2034. Despite the varied reactions, the overall average mid-yield saw a slight decline, settling at 19.38%.

Outlook: We expect a mixed session tomorrow.

Eurobonds

The Eurobonds market saw mixed sentiments with limited activity across most African curves. In Nigeria, investors focused on the new Eurobond issuance, where the NIGERIA – \$ REG S/144A 6.5YR and 10YR papers were launched, attracting subscriptions exceeding \$9 billion. The yields for these papers were 9.625% and 10.375%, respectively. Overall, the average mid-yield for Nigerian bonds fell by 4bps, closing at 9.54%.

Outlook: We anticipate that the newly issued Eurobond papers will generate some activity in the market.

BENCHMARK T-BILLS DISCOUNT RATES			
	02-Dec-24	29-Nov-24	Change in Rates
80 DAYS	23.69%	23.69%	➔ 0.00%
171 DAYS	22.03%	22.03%	➔ 0.00%
325 DAYS	21.77%	21.77%	➔ 0.00%

Source: FMDQ DQL for 02-Dec-2024

NAFEM RATE (\$/N)		Diff.
2-Dec-24	1,672.69	
29-Nov-24	1,672.69	➔ 0.00

Source: FMDQ

BENCHMARK FGN BOND YIELDS			
	02-Dec-24	29-Nov-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.79%	19.79%	➔ 0.00%
10 YRS: 19.00% 21-FEB-2034	20.88%	20.88%	➔ 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 02-Dec-2024

SYS. LIQ. (N'BN)		Diff.
2-Dec-24	451.07	
29-Nov-24	(237.03)	⬆ 688.09

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.05
AIICO BALANCED FUND	13.27
AIICO EUROBOND FUND	7.13

As of November 28, 2024

BENCHMARK FGN EUROBOND YIELDS			
	02-Dec-24	29-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	9.90%	9.94%	⬇ -0.04%
15 YRS: NGERIA 7.696% 23/02/38	10.24%	10.26%	⬇ -0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.52%	10.54%	⬇ -0.02%
8.75% ETI 06/17/31*	8.92%	8.83%	⬆ 0.09%

Source: FBN UK Runs for 02-Dec-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)	40.22 (+22.21% YTD as of 28-Nov-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.55 (-0.39 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market experienced bullish sentiments at the start of the month, with the NGX-ASI and market capitalization increasing by 0.23% to 97,733.86 points and ₦59.24 trillion, respectively. This positive performance was attributable to strong buying interest in top tickers such as WAPCO (following the news of the sale of its majority stake), VFDGROUP, ETERNA, NB, and ACCESSCORP, which contributed to the year-to-date growth of the ASI to 30.71%. All five tracked indices recorded gains, indicating bullish sectoral performance. The Insurance Index posted the highest gain, increasing by 2.14%.

Outlook: We expect the same sentiment to persist tomorrow.

Foreign Exchange

At the NAFEM window, the CBN launched a new trading platform called "BMATCH." Today, most activity occurred on this platform, and the market had sufficient liquidity to fill some orders. The exchange rate was between \$/₦1570.27 and \$/₦1693.00, and ultimately the USDNGN remained unchanged at \$/₦1,672.69.

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

Commodities

Oil prices rose, bolstered by positive factory activity in China, the world's second largest oil consumer. Tensions in the Middle East also contributed to the increase, as Israel resumed attacks on Lebanon in violation of a ceasefire agreement. Brent crude was priced at \$72.55 per barrel, while WTI was at approximately \$68.68. In contrast, gold prices declined, ending a four-day winning streak. The decline was attributed to a sharp rally in the US dollar and investors' anticipation of pivotal economic data and Federal Reserve guidance on interest rates. The price of gold settled at approximately \$2,646.50 per ounce.

Outlook: We expect geopolitical and macroeconomic factors to continue to influence market sentiment.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
WAPCO	63.80	5.80	↑ 10.00%
ABBEYBDS	2.64	0.24	↑ 10.00%
AFRIPRUD	9.90	0.90	↑ 10.00%
VFDGROUP	44.50	4.00	↑ 9.88%
SOVRENINS	0.80	0.07	↑ 9.59%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ETRANZACT	6.75	-0.75	↓ -10.00%
NCR	4.27	-0.47	↓ -9.92%
FTNCOCOA	1.80	-0.16	↓ -8.29%
HONYFLOUR	4.68	-0.29	↓ -5.92%
NPFMCRFBK	1.50	-0.07	↓ -4.46%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGXASI	↑ 0.23%	↑ 0.23%	↑ 0.23%	↑ 30.71%
NSE BANKING INDEX	↑ 0.08%	↑ 0.08%	↑ 0.08%	↑ 14.14%
NSE INSURANCE INDEX	↑ 2.14%	↑ 2.14%	↑ 2.14%	↑ 54.92%
NSE INDUSTRIAL GOODS INDEX	↑ 0.89%	↑ 0.89%	↑ 0.89%	↑ 31.17%
NSE CONSUMER GOODS INDEX	↑ 0.67%	↑ 0.67%	↑ 0.67%	↑ 42.71%
NSE OIL & GAS INDEX	↑ 0.37%	↑ 0.37%	↑ 0.37%	↑ 129.14%

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