

MARKET COMMENTARY

System Liquidity

Increased inflows improved interbank liquidity further today. As a result, interbank rates relaxed further, with the Overnight Policy Rate (OPR) dropping by 20 bps to 26.36% and the Overnight Rate (O/N) decreasing by 40 bps to 26.71%.

Outlook: Unless there are significant debits, we expect interbank rates to remain steady at their current levels.

Treasury Bills

The Treasury Bills market saw low activity levels as traders shifted their focus to the NTB auction, where c.₦583 billion was offered across the 91, 182, and 364-day papers. There was some interest in the February, March, April, and May 2025 bills, with only a few matching offers available. Overall, a limited number of trades were executed, and the average mid-rate for the benchmark concluded at 23.09%.

Outlook: We expect the outcome of today's auction to influence market activity tomorrow.

FGN Bonds

The local bond market experienced another quiet session as investors concentrated on the NTB auction. There were limited offerings for the April 2029 and February 2031 bonds. However, trading activity remained subdued due to a lack of matching bids. Overall, the average mid-yield increased by 3 bps, closing at 19.42%.

Outlook: We expect the results of the NTB auction to stimulate some activity tomorrow.

Eurobonds

The Eurobond market saw significant bullish activity, with Nigeria and Angola leading the way. Nigeria continued to attract investors for its newly issued 6.5 and 10-year Eurobonds. Angola's positive performance was bolstered by U.S. President Biden's \$600 million investment pledge at the Global Infrastructure and Investment Summit, indicating enhanced international support for its development projects. As a result, the average mid-yield for Nigerian bonds dropped by 11 bps to 9.34%. Additionally, U.S. ADP Non-Farm Payrolls for November reported 146k, below the expected 166k.

Outlook: We expect the same sentiment to persist.

BENCHMARK T-BILLS DISCOUNT RATES			
	04-Dec-24	03-Dec-24	Change in Rates
92 DAYS	24.00%	24.50%	↓ -0.50%
183 DAYS	22.45%	22.45%	→ 0.00%
323 DAYS	21.77%	21.77%	→ 0.00%

Source: FMDQ DQL for 04-Dec-2024

BENCHMARK FGN BOND YIELDS			
	04-Dec-24	03-Dec-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 04-Dec-2024

BENCHMARK FGN EUROBOND YIELDS			
	04-Dec-24	03-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.72%	8.83%	↓ -0.11%
10 YRS: NGERIA 7.375% 09/29/33	9.52%	9.64%	↓ -0.12%
15 YRS: NGERIA 7.696% 23/02/38	9.99%	10.08%	↓ -0.09%
30 YRS: NGERIA 8.25% 09/29/51	10.27%	10.36%	↓ -0.09%
8.75% ETI 06/17/31*	8.75%	8.75%	→ 0.00%

Source: FBN UK Runs for 04-Dec-2024

NAFEX RATE (\$/N)		Diff.
4-Dec-24	1,628.62	
3-Dec-24	1,658.36	↓ (29.74)

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
4-Dec-24	803.68	
3-Dec-24	629.18	↑ 174.50

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.82
AIICO BALANCED FUND	11.45
AIICO EUROBOND FUND	5.74

As of December 03, 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)	40.29 (+22.42% YTD as of 02-Dec-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.00 (+1.07 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market concluded today's trading on a positive note, with the NGX-ASI and market capitalization increasing by 48 bps to close at 98,174.99 points and ₦59.51 trillion, respectively. This rise was fueled by notable gains in shares of WAPCO (+7.56%), SEPLAT (+7.55%), GTCO (+0.29%), and ACCESSCORP (+2.08%). Year-to-date, the ASI has grown by 31.30%. Most sectors performed well, led by the Oil and Gas Index, which rose by 3.21%.

Outlook: We expect mixed sentiments tomorrow.

Foreign Exchange

The interbank Electronic Foreign Exchange Market continued to see improved liquidity, with transactions occurring between rates of \$/₦1,570 and \$/₦1,675.43. The NAFEX rate ended at \$/₦1,628.62.

Outlook: We expect the Naira to continue to trade within a similar range.

Commodities

Oil prices increased slightly as traders anticipate that OPEC+ will announce an extension of supply cuts this week. Additionally, ongoing geopolitical tensions continue to influence market sentiment. Brent crude is priced at \$74.00 per barrel, while WTI is around \$70.26. Meanwhile, gold prices surged after data indicated a moderate rise in U.S. private payrolls last month. This comes ahead of comments from Federal Reserve Chair Jerome Powell later today, and Friday's non-farm payrolls report. Gold is valued at c.\$2,654.47 per ounce.

Outlook: We expect geopolitical and macroeconomic influences to keep impacting market sentiment.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
GOLDBREW	4.47	0.40	↑ 9.83%
THOMASWY	1.90	0.17	↑ 9.83%
FTNCOCOA	1.96	0.17	↑ 9.50%
DEAPCAP	1.16	0.10	↑ 9.43%
NEM	9.40	0.80	↑ 9.30%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
LEARNAFRCA	2.93	-0.32	↓ -9.85%
SUNUASSUR	4.21	-0.46	↓ -9.85%
HMCALL	5.86	-0.59	↓ -9.15%
PZ	22.00	-2.10	↓ -8.71%
STERLINGNG	4.41	-0.34	↓ -7.16%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.48%	↑ 0.90%	↑ 0.69%	↑ 31.30%
NSE BANKING INDEX	↓ -0.07%	↑ 2.26%	↑ 0.83%	↑ 14.99%
NSE INSURANCE INDEX	↑ 1.60%	↑ 4.85%	↑ 6.56%	↑ 61.63%
NSE INDUSTRIAL GOODS INDEX	↑ 0.81%	↑ 2.72%	↑ 2.72%	↑ 33.55%
NSE CONSUMER GOODS INDEX	↓ -0.17%	↑ 0.17%	↑ 0.27%	↑ 42.16%
NSE OIL & GAS INDEX	↑ 3.21%	↑ 0.35%	↑ 3.50%	↑ 136.30%

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