

## MARKET COMMENTARY

### System Liquidity

System liquidity remained strong but experienced a slight decline due to the settlement of the NTB auction (net debit of ₦173.44 billion). Consequently, interbank rates increased, with the Overnight Policy Rate (OPR) rising by 50 bps to 26.86% and the Overnight Rate (O/N) climbing by 75 bps to 27.46%.

**Outlook:** We anticipate that interbank rates will stay stable at their present levels.

### Treasury Bills

The Treasury bills market experienced an active trading session following the results of yesterday's NTB auction, where the stop rate for the 364-day paper decreased by 57 bps, closing at 22.93%. As a result of the unmet bids, interest intensified in the secondary market, particularly for the newly issued 1-year NTB maturing on December 4, 2025, which settled c.100 bps lower than the auction rate. Overall, the average mid-rate for the benchmark NTB papers ended at 22.80%.

**Outlook:** We expect the same sentiment to persist.

### FGN Bonds

The local bond market had a quiet session, with moderate interest seen in the February 2031 and May 2033 papers. However, very few trades were executed in the middle of the curve. Overall, the average mid-yield settled at 19.42%.

**Outlook:** We expect the same sentiment to persist tomorrow.

### Eurobonds

The Eurobonds market closed firmly as investor sentiment improved, particularly in Sub-Saharan Africa and North African papers, driven by renewed buying interest. Anticipation of a 25bps rate cut from the ECB, likely mirrored by the Federal Reserve, fuels this optimism. As a result, the average mid-yield for Nigerian bonds dropped by 16 bps to 9.18%. Meanwhile, U.S. Treasury yields rose, recovering from recent lows ahead of Friday's Non-Farm Payrolls report, which is expected to indicate a resilient labor market.

**Outlook:** We anticipate that the same sentiment will continue to prevail.

BENCHMARK T-BILLS DISCOUNT RATES			
	05-Dec-24	04-Dec-24	Change in Rates
91 DAYS	24.00%	24.00%	→ 0.00%
182 DAYS	22.49%	22.45%	↑ 0.04%
350 DAYS	21.50%	21.77%	↓ -0.27%

Source: FMDQ DQL for 05-Dec-2024

BENCHMARK FGN BOND YIELDS			
	05-Dec-24	04-Dec-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.80%	19.79%	↑ 0.01%
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 05-Dec-2024

BENCHMARK FGN EUROBOND YIELDS			
	05-Dec-24	04-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.58%	8.72%	↓ -0.14%
10 YRS: NGERIA 7.375% 09/29/33	9.36%	9.52%	↓ -0.16%
15 YRS: NGERIA 7.696% 23/02/38	9.81%	9.99%	↓ -0.18%
30 YRS: NGERIA 8.25% 09/29/51	10.13%	10.27%	↓ -0.14%
8.75% ETI 06/17/31*	8.75%	8.75%	→ 0.00%

Source: FBN UK Runs for 05-Dec-2024

NAFEX RATE (\$/₦)		Diff.
5-Dec-24	1,605.30	
4-Dec-24	1,628.62	↓ (23.32)

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
5-Dec-24	626.50	
4-Dec-24	803.68	↓ (177.18)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.32
AIICO BALANCED FUND	12.53
AIICO EUROBOND FUND	5.77

As of December 04, 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)	40.30 (+22.45% YTD as of 03-Dec-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.77 (-1.23 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market wrapped up today's trading session in decline, with the NGX-ASI and market capitalization slipping by 6 bps to end at 98,114.11 points and ₦59.47 trillion, respectively. This drop was influenced by falling share prices of WAPCO (-2.05%), ACCESSCORP (-1.84%), ZENITHBANK (-1.68%), and ARADEL (-1.48%). As a result, the ASI's year-to-date growth now stands at 31.21%. Despite the overall decline, three out of five tracked indices saw gains, particularly the Insurance Index, which rose by 3.13%.

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

## Foreign Exchange

The interbank Electronic Foreign Exchange Market system saw the Naira strengthen significantly, and trades took place at rates ranging from \$/₦1,550 to \$/₦1,638.64. The NAFEX rate concluded at \$/₦1,605.30.

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

## Commodities

Oil prices climbed after OPEC+ decided to postpone increases in crude production. Currently, Brent crude is priced at \$72.77 per barrel, and WTI is c. \$69.04. On the other hand, gold prices fell as U.S. Treasury yields strengthened following the release of weekly jobless claims data. The market awaits U.S. non-farm payroll figures for new insights into the Federal Reserve's approach to interest rate cuts. Gold is currently valued at about \$2,640.85 per ounce.

**Outlook:** We anticipate that geopolitical and macroeconomic factors will continue to affect market sentiment.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
CORNERST	3.30	0.30	↑ 10.00%
UPL	3.96	0.36	↑ 10.00%
STERLINGNG	4.85	0.44	↑ 9.98%
SUNUASSUR	4.63	0.42	↑ 9.98%
GOLDBREW	4.91	0.44	↑ 9.84%

**Source: NGX, AIICO Capital**

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
REDSTAREX	4.41	-0.49	↓ -10.00%
FTNCOCOA	1.85	-0.11	↓ -5.61%
NPFMCRFBK	1.50	-0.05	↓ -3.23%
NEIMETH	2.10	-0.06	↓ -2.78%
PRESTIGE	0.78	-0.02	↓ -2.50%

**Source: NGX, AIICO Capital**

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.06%	↑ 0.34%	↑ 0.62%	↑ 31.21%
NSE BANKING INDEX	↓ -0.26%	↑ 1.24%	↑ 0.57%	↑ 14.69%
NSE INSURANCE INDEX	↑ 3.13%	↑ 7.88%	↑ 9.89%	↑ 66.69%
NSE INDUSTRIAL GOODS INDEX	↓ -0.24%	↑ 2.32%	↑ 2.48%	↑ 33.23%
NSE CONSUMER GOODS INDEX	↑ 0.02%	↑ 0.30%	↑ 0.29%	↑ 42.18%
NSE OIL & GAS INDEX	↑ 1.13%	↑ 1.99%	↑ 4.67%	↑ 138.95%

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