

Daily Financial Market Update



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FIXED INCOME MARKET

Money Markets

System liquidity remained elevated at c.₦ 1.22 trillion, vs c.₦ 1.02 billion recorded the previous day. Overall, the Overnight Policy Rate (OPR) remained unchanged at 10.50% while the Overnight Rate (O/N) declined to 10.88% from 11.00% recorded yesterday.

Treasury Bills

The Treasury bills market traded bullish, as investors scrambled for available papers despite the low rates. Bids on Mar 2023, Apr 2023, Jun 2023 and Jan 2024 Bills were seen at 0.40%, 0.55%, 0.95% and 2.65% levels respectively, but offers were c.20bps lower. Thus, the average mid-rate closed c.7bps lower at 3.58%.

Bonds

Activity in the FGN bonds market was mixed to bullish, with most of the demand skewed to 2028s, 2029s and 2049s (mostly T+1 trades) as investors were keen to invest their cash ahead of a possible CRR debit exercise later this week. There were also mild sellers of 2035s and 2036s, but no traction was recorded at that end. Overall, the average mid-yield declined by c.4bps to 13.99%.

Eurobonds

The Eurobond space rebounded today after days of weakness, amid lower ratings of most sovereigns and central banks interest rate decisions. Thus, most SSAs and MENAs papers parred back some of the losses with price appreciation of c.1.25pts. The markets await the US Fed's rate decision later today, where a 25bps hike is expected and would also keep a close tab on Fed Chair Powell's post-announcement comments. Overall, the average yield on the Nigerian curve settled at 10.33%.

Macro Indicators	
GDP (Q3 2022)	+2.25% (Q2 2022: +3.54% y/y)
Inflation	21.34% (Nov'22: 21.47%)
External Reserve (US\$'billion)	37.01 (-0.21% YTD)
Monetary Policy Rate	17.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*85.02 (-0.51% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	01-Feb-23	31-Jan-23	Change in Rates
86 days	1.10%	1.10%	→ 0.00%
128 days	1.83%	1.83%	→ 0.00%
310 days	3.74%	3.74%	→ 0.00%

Source: FMDQ DQL for 1 February 2023

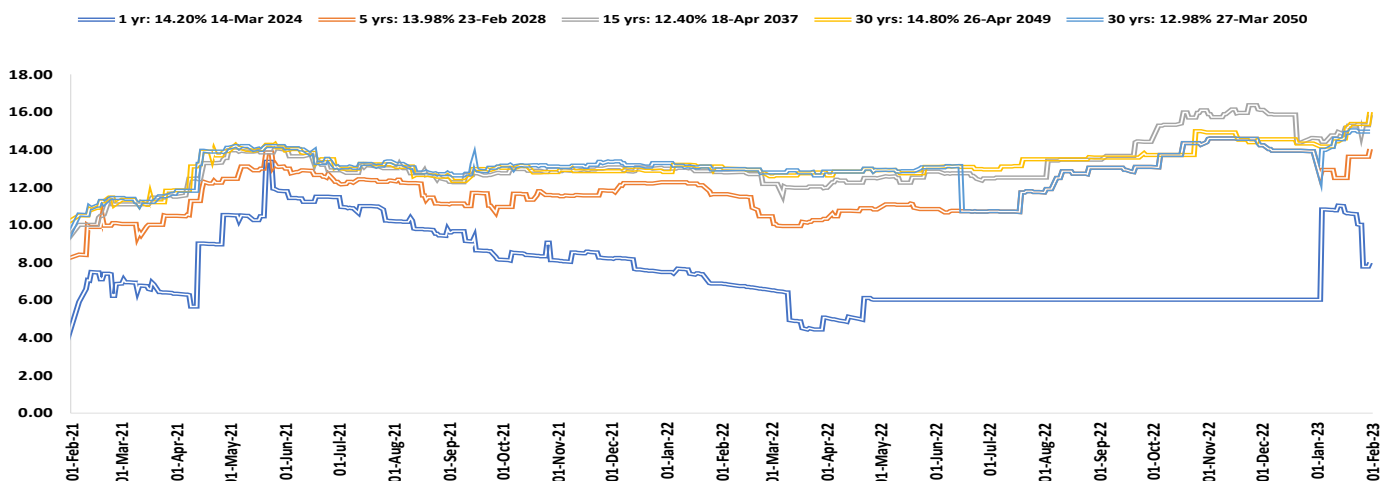
Benchmark FGN Bond Yields			
	01-Feb-23	31-Jan-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.36%	13.36%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.80%	↑ 0.10%
20 yrs: 13.00% 21-Jan-2042	15.15%	15.15%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	14.96%	14.96%	→ 0.00%

Source: FMDQ DQL for 1 February 2023

Benchmark FGN Eurobond Yields			
	01-Feb-23	31-Jan-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.93%	6.93%	→ 0.00%
5 yrs: NGERIA 6 1/2 11/28/27	11.00%	11.15%	↓ -0.15%
10 yrs: NGERIA 7.875 02/16/32	12.13%	12.30%	↓ -0.17%
15 yrs: NGERIA 7.696 23/02/38	11.83%	12.01%	↓ -0.18%
30 yrs: NGERIA 9.248 01/21/49	12.11%	12.31%	↓ -0.20%
7.125% ECOTRAN 16/02/26	10.78%	10.88%	↓ -0.10%

Source: FBN UK Runs for 1 February 2023

Benchmark Bond Yields



Aim higher. Reach further ▶

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Equities

The domestic bourse remained bullish to start the new month, as the Nigerian Stock Exchange All Share Index (NGX ASI) rose by c.0.49% day-on-day to close at 53,499.68 points while market year-to-date return closed higher at c.4.39%.

Demand across bellwethers such as NESTLE (+1.84%) and GTCO (+0.40%) drove the bullish sentiment.

The NGX Banking and Oil & Gas Indices both gained c. 1.22% and 3.61% respectively, while the NGX Industrial and Consumer Goods Indices lost c. 0.02% and 0.11% respectively.

UNIVINSURE led the volume chart with c.57.79 million while GEREGU topped the values charts and c.₦ 1.64 billion worth of trades

AIICO Money Market Fund (AMMF)

Net Yield (As at 31st Jan 2023)	13.1650%
Added Benefit	Personal accident insurance cover

		W-o-W	MTD	YTD
NGX ASI	↑ 0.49%	↑ 1.71%	↑ 0.49%	↑ 4.39%
NSE Banking Index	↑ 1.22%	↑ 3.43%	↑ 1.22%	↑ 8.82%
NSE Insurance Index	↓ -1.34%	↑ 1.72%	↓ -1.34%	↑ 3.95%
NSE Industrial Goods Index	↓ -0.02%	↑ 0.09%	↓ -0.02%	↑ 2.12%
NSE Consumer Goods Index	↓ -0.11%	↓ -0.37%	↓ -0.11%	↑ 5.53%
NSE Oil & Gas Index	↑ 3.61%	↑ 5.38%	↑ 3.61%	↑ 9.22%

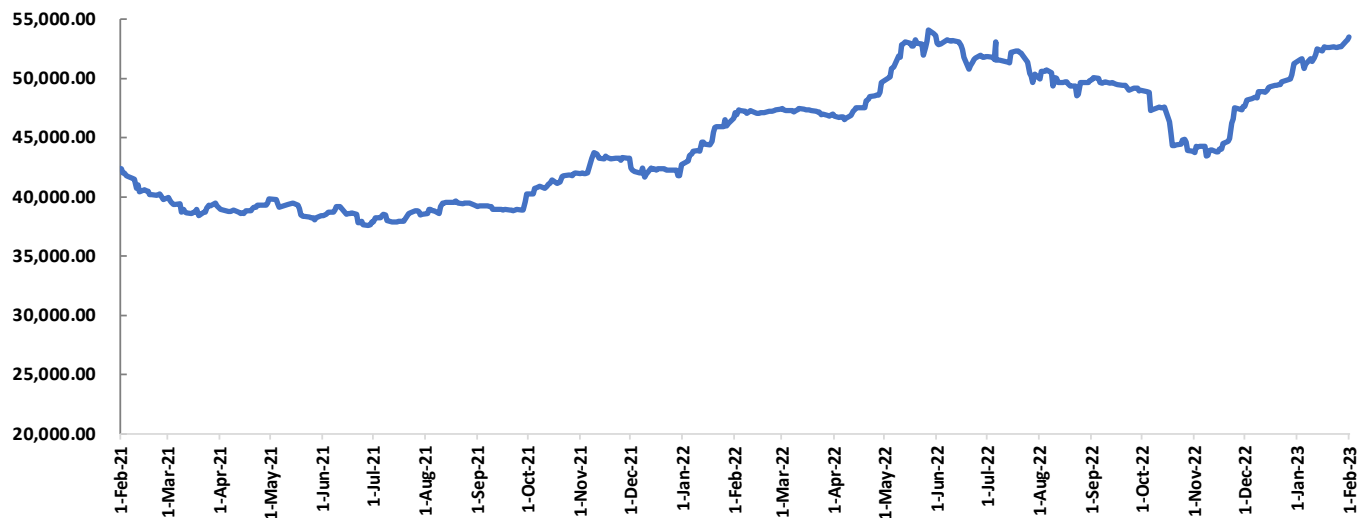
Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)	% Change	
IMG	7.70	0.70	↑	10.00%
SEPLAT	1210.00	110.00	↑	10.00%
NNFM	8.10	0.70	↑	9.46%
INTENEGINS	0.82	0.07	↑	9.33%
NAHCO	8.85	0.75	↑	9.26%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)	% Change	
GUINNESS	63.00	-7.00	↓	-10.00%
ARDOVA	17.20	-1.90	↓	-9.95%
ACADEMY	1.19	-0.13	↓	-9.85%
RTBRISCOE	0.28	-0.03	↓	-9.68%
CORNERST	0.55	-0.05	↓	-8.33%

Source: NGX, AIICO Capital

NSE All Share Index



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