

Daily Financial Market Update

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FIXED INCOME MARKET

Money Markets

System liquidity declined to c.₦12.90 billion compared to c.₦1.22 trillion recorded the previous day. Nevertheless, the Overnight Policy Rate (OPR) remained unchanged at 10.50% while the Overnight Rate (O/N) declined to 10.75% from 10.88% recorded yesterday.

Treasury Bills

There was a heightened demand for treasury bills at today's session, with most investors preferring same day settlement amid a possible CRR debit tomorrow. Short-dated papers were offered at 0.40%, bids on 25 Jan 2024 paper were seen at c.2.20% levels while offers were c.30bps lower. Overall, the average mid-rate closed declined by c.10bps to 3.48%.

Bonds

The FGN bonds market traded mixed to bullish sentiments, as demand for specific papers (2026s, 2028s, 2037s and 2049s) were witnessed earlier in the day by major banks who were keen to invest their idle cash same day. However, by midday, the tide turned slightly bearish with better offers observed across 2028s and 2037s. Thus, the average mid-yield closed c.10bps lower at 13.89%.

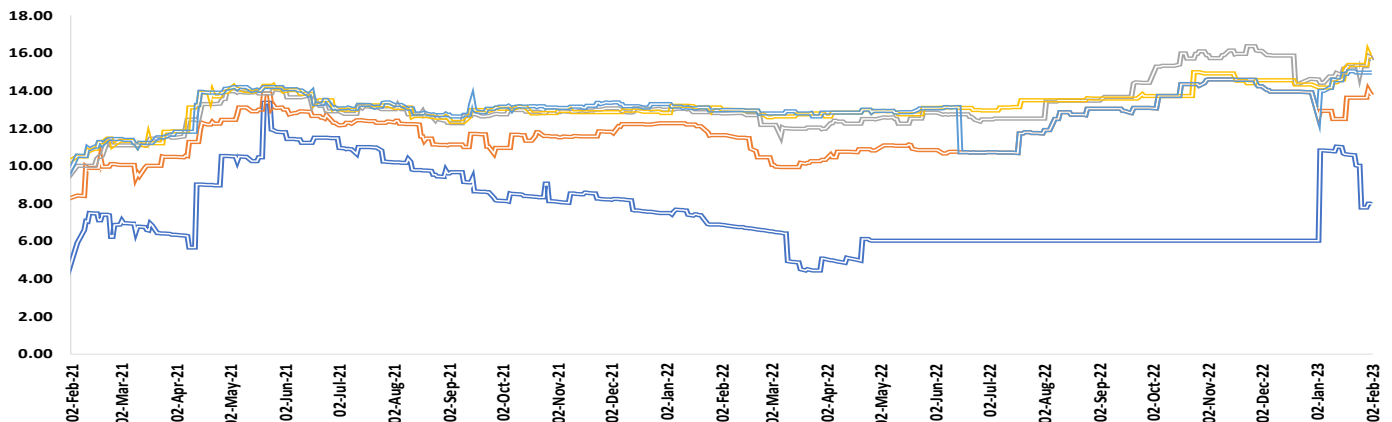
Eurobonds

With the expected 25bps hike happening at the first FOMC meeting this year and Fed Chair Jerome Powell's comments about policy makers making progress in the battle against inflation, raising hopes the central bank is nearing the end of its rate-hike cycle, the Eurobond market observed a bullish theme. Nigeria, Angola and Egypt papers all traded higher prices, with the latter leading the pack with c.2pts price increase. Overall, the average yield on the Nigerian curve settled at 10.05%.

In other news, the Bank of England (BoE) and European Central Bank (ECB) both raised their benchmark rates by 50bps to 4.00% and 2.50% respectively. Also, the US Weekly Jobless Claims fell by 3,000 to 183,000 (Est. 195,000).

Benchmark Bond Yields

1 yr: 14.20% 14-Mar 2024 5 yrs: 13.98% 23-Feb 2028 15 yrs: 12.40% 18-Apr 2037 30 yrs: 14.80% 26-Apr 2049 30 yrs: 12.98% 27-Mar 2050



Macro Indicators

GDP (Q3 2022)	+2.25% (Q2 2022: +3.54% y/y)
Inflation	21.34% (Nov'22: 21.47%)
External Reserve (US\$'billion)	36.99 (-0.23% YTD)
Monetary Policy Rate	17.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*82.19 (-0.78% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	02-Feb-23	01-Feb-23	Change in Rates
84 days	1.10%	1.10%	→ 0.00%
126 days	1.83%	1.83%	→ 0.00%
308 days	3.74%	3.74%	→ 0.00%

Source: FMDQ DQL for 2 February 2023

Benchmark FGN Bond Yields

	02-Feb-23	01-Feb-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%	14.90%	→ 0.00%
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 2 February 2023

Benchmark FGN Eurobond Yields

	02-Feb-23	01-Feb-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.94%	6.93%	↑ 0.01%
5 yrs: NGERIA 6 1/2 11/28/27	10.70%	11.00%	↓ -0.30%
10 yrs: NGERIA 7.875 02/16/32	11.81%	12.13%	↓ -0.32%
15 yrs: NGERIA 7.696 23/02/38	11.49%	11.83%	↓ -0.34%
30 yrs: NGERIA 9.248 01/21/49	11.74%	12.11%	↓ -0.37%
7.125% ECOTRAN 16/02/26	10.26%	10.78%	↓ -0.52%

Source: FBN UK RUS for 2 February 2023

Aim higher. Reach further ►

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Equities

The domestic bourse sustained positive sentiments, as the Nigerian Stock Exchange All Share Index (NGX ASI) rose by c.0.93% day-on-day to close at 53,998.12 points while market year-to-date return extended to c.5.36%.

Buying interests on stocks like MTNN (+3.78%) TRANSCORP (+1.63%) and SEPLAT (+9.50%) drove the index upwards.

The NGX Banking and Industrial Indices both declined by c. 0.44% and 0.001% respectively, while the NGX Oil & Gas and Consumer Goods Indices gained c. 5.17% and 0.001% respectively.

UNIVINSURE led the volume chart with c.2.72 million while AIRTELAFRI topped the values charts and c.₦ 3.49 billion worth of trades

AIICO Money Market Fund (AMMF)

Net Yield (As at 1st Feb 2023)	13.1377%
Added Benefit	Personal accident insurance cover

		W-o-W	MTD	YTD
NGX ASI	↑ 0.93%	↑ 2.36%	↑ 1.43%	↑ 5.36%
NSE Banking Index	↓ -0.44%	↑ 1.38%	↑ 0.78%	↑ 8.34%
NSE Insurance Index	↓ -0.39%	↑ 0.32%	↓ -1.73%	↑ 3.54%
NSE Industrial Goods Index	↓ 0.00%	↑ 0.10%	↓ -0.02%	↑ 2.12%
NSE Consumer Goods Index	↑ 0.00%	↓ -0.42%	↓ -0.10%	↑ 5.53%
NSE Oil & Gas Index	↑ 5.17%	↑ 9.11%	↑ 8.97%	↑ 14.87%

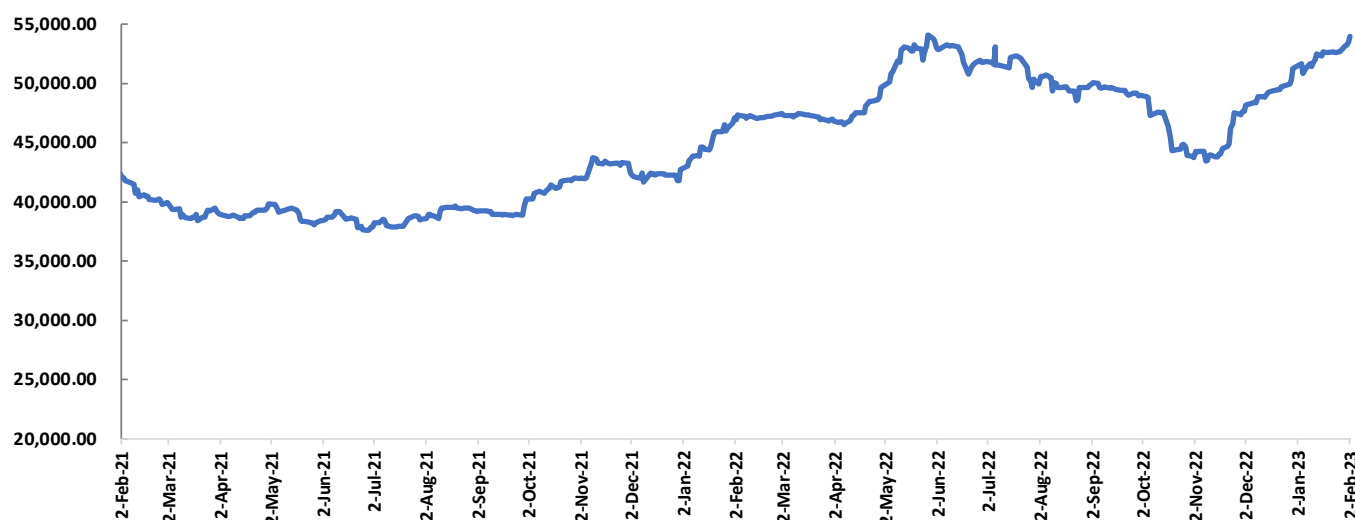
Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)	% Change	
MRS	17.60	1.60	↑	10.00%
NNFM	8.90	0.80	↑	9.88%
INTENEGINS	0.90	0.08	↑	9.76%
SEPLAT	1325.00	115.00	↑	9.50%
CORNERST	0.60	0.05	↑	9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)	% Change	
SUNUASSUR	0.34	-0.03	↓	-8.11%
MBENEFIT	0.36	-0.03	↓	-7.69%
LINKASSURE	0.45	-0.03	↓	-6.25%
VERITASKAP	0.20	-0.01	↓	-4.76%
PZ	10.25	-0.50	↓	-4.65%

Source: NGX, AIICO Capital

NSE All Share Index



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