

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity improved by c. 112.07% from ₦201.08 billion to ₦426.43 billion today. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) declined by 6bps and 21bps to 15.55%, and 16.00%, respectively.

Outlook: We expect the interbank rates to remain at double-digit levels tomorrow.

Treasury Bills

Activity was calm in the treasury bills space, as most players traded cautiously ahead of tomorrow's NTB auction. Notwithstanding, slight sell interests were observed along the long-dated papers. Thus, the average mid-rate increased by 11bps to 9.36%.

Outlook: We expect the auction result to largely determine market sentiment tomorrow, as the DMO would be offering treasury bills worth ₦104.36 billion.

FGN Bonds

The local bonds market witnessed a mixed to bullish theme across select maturities, particularly 2036 and 2053 papers. Despite the expectation of more supply on the 2053 paper at the FGN bond auction later this month, as revealed by the bond offer circular released yesterday, traditional buyside investors still demanded for the 2053 paper as they look to reinvest their idle funds. Overall, the average mid-yield declined marginally by 1bp to settle at 15.79%.

Outlook: We expect market activity to trade sideways tomorrow.

Eurobonds

The Eurobonds market exhibited a bullish bias across major African papers, save for South African curve, due to the negative GDP growth rate in q3'2023 at -0.20% q/q and -0.70% y/y. Meanwhile, US Job opening data fell to 9.4 million in October from 9.6 million in September. Further, India pledged \$250 million to Kenya for the modernization of its agricultural sector following the recent discussions between both India's Prime Minister and President Ruto. Overall, Nigerian papers closed on a bullish note, as average mid-yield declined by 6bps to 10.38%.

Outlook: We expect the US ADP Employment data to be the major market-moving event in tomorrow's session.

Date	Sys. Liq. (₦bn)	Diff.
5-Dec-23	426.43	↑ 225.35
4-Dec-23	201.08	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 29th November 2023)	13.5298%
Added Benefit	Personal accident insurance cover

Macro Indicators

GDP (Q3 2023)	+2.54% (Q2: 2023 +2.51% y/y)
Inflation (October'2023)	27.33% (Sep'23: 26.72%)
External Reserve (US\$'billion)	32.88 (-11.32% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.70 (+0.86% d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	05-Dec-23	04-Dec-23	Change in Rates
51 days	5.00%	5.00%	(0.00%)
156 days	9.87%	9.87%	(0.00%)
275 days	11.97%	11.97%	(0.00%)

Source: FMDQ DQL for 05 December 2023

Benchmark FGN Bond Yields			
	05-Dec-23	04-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	14.30%	14.30%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	16.14%	16.14%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	16.70%	16.70%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.90%	17.07%	+0.17%

Source: FMDQ DQL for 05 December 2023

Benchmark FGN Eurobond Yields			
	05-Dec-23	04-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.83%	9.91%	+0.08%
10 yrs: NGERIA 7.875 02/16/32	10.51%	10.56%	+0.05%
15 yrs: NGERIA 7.696 23/02/38	10.94%	10.91%	(0.03%)
30 yrs: NGERIA 9.248 01/21/49	11.14%	11.19%	+0.05%
7.125% ECOTRAN 16/02/26	12.32%	12.32%	(0.00%)

Source: FBN UK Runs for 05 December 2023

Nigerian Equities

The Nigerian stock market rebounded to close on a bullish note today, with a +0.43% to 70,946.83 points, while the YTD performance settled at 39.02%, contributing to a total market capitalization of approximately ₦38.99 trillion. The buying interests on FBNH (+9.86%) and ACCESSCORP (+6.32%) drove market to close bullish. Trading activity was positive, as total volume and value trades increased by 20.93% and 56.53%, respectively.

Further, the total volume traded was led by UACN while the total value traded was led by NIDF. All Indices closed in the green except Oil & Gas Index which flattened. The Banking, Consumer Goods and Industrial Indices appreciated by 1.45%, 0.08% and 1.94%, respectively.

Outlook: *We expect a similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 3.71% (or ₦31.04) to \$/₦806.73 from \$/₦837.77 recorded yesterday.

Outlook: *The volatility is expected to persist in the interim.*

Commodities

Oil prices appreciated today, lifted by uncertainty over voluntary output cuts by the OPEC+ group of producers, tensions in the Middle East and some encouraging economic signals in Europe. Brent crude was reported at \$78.56 per barrel, and West Texas Intermediate (WTI) at \$73.50 per barrel, as at printing time. Gold prices increased to \$2,043.60 per ounce+ from the previous day.

Outlook: *We expect oil prices to remain volatile in the interim.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
NSLTECH	0.77	0.07	↑	10.00%
MULTIVERSE	7.07	0.64	↑	9.95%
SUNUASSUR	1.33	0.12	↑	9.92%
FBNH	26.75	2.40	↑	9.86%
THOMASWY	3.02	0.27	↑	9.82%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
ABBEYBDS	1.55	-0.17	↓	-9.88%
FTNCOCOA	1.50	-0.15	↓	-9.09%
DAARCOMM	0.31	-0.03	↓	-8.82%
WAPIC	0.65	-0.05	↓	-7.14%
VERITASKAP	0.35	-0.02	↓	-5.41%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.43%	↑ 0.29%	↓ -0.16%	↑ 39.02%
NSE Banking Index	↑ 1.45%	↑ 1.63%	↑ 2.62%	↑ 83.87%
NSE Insurance Index	↓ -0.17%	↓ -1.22%	↓ -1.55%	↑ 70.97%
NSE Industrial Goods Index	↑ 1.94%	↓ -2.34%	↓ -2.42%	↑ 12.98%
NSE Consumer Goods Index	↑ 0.08%	↑ 0.62%	↑ 0.06%	↑ 94.02%
NSE Oil & Gas Index	→ 0.00%	↑ 5.96%	↑ 0.04%	↑ 126.40%

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