

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system increased by c.51.13% from ₦426.43 billion to ₦644.48 billion today. Although, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 66bps and 68bps to 16.21%, and 16.68%, respectively.

Outlook: *We expect the interbank rates to stay elevated.*

Treasury Bills

The major focus today in the Treasury bills space was the NTB primary market auction. However, there were few selling interests across select maturities. Overall, the average mid-rate increased marginally by 1bp to close at 9.47%.

Outlook: *Market is expected to be impacted by the NTB auction result.*

FGN Bonds

The local bonds market was slightly active today, with mild buying interests observed mostly on the 2038 and 2053 papers. Overall, average mid-yield flattened at 15.79%.

Outlook: *We expect market players to stay on the sideline in the interim.*

Eurobonds

The Eurobonds market continued to enjoy some bullish rally, both in the SSA and North African region. Notably, the bullish bias in the SSA curve intensified after the US ADP Employment data printed lower than expectation at 103k (Est. 128k) in November, from 106k in October. Consequently, Nigerian papers closed on a bullish note, as average mid-yield declined by 9bps to 10.29%.

Outlook: *We expect the bullish sentiment to persist, subject to any significant surprises from major economic indicators.*

Date	Sys. Liq. (₦bn)	Diff.
6-Dec-23	644.48	↑ 218.05
5-Dec-23	426.43	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 5th December 2023)	13.8219%
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	*75.71 (-1.93% d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	06-Dec-23	05-Dec-23	Change in Rates
50 days	5.00%	5.00%	(0.00%)
155 days	9.87%	9.87%	(0.00%)
274 days	11.97%	11.97%	(0.00%)

Source: FMDQ DQL for 06 December 2023

Benchmark FGN Bond Yields			
	06-Dec-23	05-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%	16.90%	(0.00%)

Source: FMDQ DQL for 06 December 2023

Benchmark FGN Eurobond Yields			
	06-Dec-23	05-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.75%	9.83%	+0.08%
10 yrs: NGERIA 7.875 02/16/32	10.43%	10.51%	+0.08%
15 yrs: NGERIA 7.696 23/02/38	10.85%	10.94%	+0.09%
30 yrs: NGERIA 9.248 01/21/49	11.02%	11.14%	+0.12%
7.125% ECOTRAN 16/02/26	12.33%	12.32%	(0.01%)

Source: FBN UK Runs for 06 December 2023

Nigerian Equities

The Nigerian stock market registered a bullish theme today, with a +0.78% to 71,808.64 points, while the YTD performance touched 40.11%, contributing to a total market capitalization of approximately ₦39.29 trillion. The buying interests on major banking names like FBNH (+9.91%), ACCESSCORP (+9.04%) and ZENITHBANK (+3.44) inspired the optimism. Trading activity was positive, as total volume and value trades increased by 59.15% and 8.88%, respectively.

Further, the total volume and value traded were both led by GTCO with 76.70 million units and ₦3.04 billion. All Indices closed in the green except Oil & Gas Index which flattened. The Banking Index appreciated by 5.01%, while the Industrial and Consumer Goods Indices depreciated by 0.02%, and 0.11%, respectively.

Outlook: *We expect a similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 17.91% (or ₦144.49) to \$/₦951.22 from \$/₦806.73 recorded yesterday.

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

Commodities

Oil prices fell today, as investors weighed the effectiveness of an extension in OPEC+ cuts in tightening supply against a worsening demand outlook in China. Brent crude was reported at \$75.75 per barrel, and West Texas Intermediate (WTI) at \$70.75 per barrel, as at printing time. On the flip side, Gold prices inched higher, buoyed by lower bond yields, while investors awaited for a crucial U.S. employment report that could set the tone for Federal Reserve's policy meeting next week. Gold prices increased to \$2,047.10 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
THOMASWY	3.32	0.30	↑	9.93%
FBNH	29.40	2.65	↑	9.91%
MULTIVERSE	7.77	0.70	↑	9.90%
ETI	18.90	1.70	↑	9.88%
INFINITY	1.47	0.13	↑	9.70%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
MANSARD	4.10	-0.44	↓	-9.69%
GUINEAINS	0.28	-0.03	↓	-9.68%
OANDO	10.45	-1.05	↓	-9.13%
OMATEK	0.79	-0.07	↓	-8.14%
UNIVINSURE	0.25	-0.02	↓	-7.41%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.78%	↑ 0.74%	↑ 0.62%	↑ 40.11%
NSE Banking Index	↑ 5.01%	↑ 7.32%	↑ 7.76%	↑ 93.08%
NSE Insurance Index	↓ -2.00%	↓ -4.32%	↓ -3.52%	↑ 67.54%
NSE Industrial Goods Index	↓ -0.02%	↓ -2.37%	↓ -2.43%	↑ 12.96%
NSE Consumer Goods Index	↓ -0.11%	↓ -0.37%	↓ -0.05%	↑ 93.80%
NSE Oil & Gas Index	→ 0.00%	↓ -0.10%	↑ 0.04%	↑ 126.40%

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