

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system dipped by c.138.30% from ₦644.48 billion long to -₦246.85 billion today, largely ascribed to the NTB auction debit. As a result, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 399bps and 432bps to 20.20%, and 21.00%, respectively.

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

Treasury Bills

The treasury bills market was stirred by the unmet bids from yesterday's auction, particularly the long end of the curve (November and December 2024). However, by close of market, offers on the newly issued 1-year paper increased from c.13.40% to c.13.65%, as sellers look to take profit ahead of next week's NTB auction. Overall, the average mid-rate remained relatively unchanged at 9.47%.

Outlook: *We expect a mixed theme tomorrow.*

FGN Bonds

Activity in the local bonds market was mixed to bullish, with keen interests seen across the short end of the curve (2026, 2028 and 2029), 2036 and 2053 papers. Nonetheless, the executed trade volumes were few and far between. Overall, the market closed bullish, as average mid-yield fell by c.11bps to 15.68%.

Outlook: *We expect a similar trend in tomorrow's session.*

Eurobonds

The Eurobonds market started off on a weak note, with selling interests observed across notable African papers. After the US Jobless claims data (Act. 220k vs Est. 221k), few buy-side interests surfaced but the pace was less aggressive. Thus, the average mid-yield across Nigerian papers increased by 4bps to settle at 10.33%.

Outlook: We expect sentiment to be centered on the US NFP tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
7-Dec-23	-246.85	↓(891.33)
6-Dec-23	644.48	

Source: CBN

AiCO Money Market Fund (AMMF)

(As of 6th December 2023)	13.7630%
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	*74.71 (-1.93% d/d)

Source: NBS, CBN, AiCO Capital

Benchmark T-Bills Discount Rates			
	07-Dec-23	06-Dec-23	Change in Rates
49 days	5.00%	5.00%	(0.00%)
154 days	9.87%	9.87%	(0.00%)
273 days	11.97%	11.97%	(0.00%)

Source: FMDQ DQL for 07 December 2023

Benchmark FGN Bond Yields			
	07-Dec-23	06-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.40%	14.30%	+0.90%
10 yrs: 12.50% 27-Apr-2032	14.73%	16.14%	+1.41%
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 07 December 2023

Benchmark FGN Eurobond Yields			
	07-Dec-23	06-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.76%	9.75%	(0.01%)
10 yrs: NGERIA 7.875 02/16/32	10.48%	10.43%	(0.05%)
15 yrs: NGERIA 7.696 23/02/38	10.89%	10.85%	(0.04%)
30 yrs: NGERIA 9.248 01/21/49	11.10%	11.02%	(0.08%)
7.125% ECOTRAN 16/02/26	12.35%	12.33%	(0.02%)

Source: FBN UK Runs for 07 December 2023

Nigerian Equities

Following yesterday's bullish rally, particularly in the banking sector, profit-taking drove the Nigerian stock market downward by 0.49% to 71, 457.92 points, while the YTD performance settled at 39.43%, contributing to a total market capitalization of approximately ₦39.10 trillion. Thus, the selling interests were saturated around the banking names like FBNH (-9.86%), ACCESSCORP (-5.21%) and ZENITHBANK (-2.35). Trading activity was negative, as total volume and value trades declined by 36.73% and 37.62%, respectively.

Further, the total volume and value traded were led by UNIVINSURE and NB with 52.73 million units and ₦1.39 billion, correspondingly. The Banking and Industrial Indices depreciated by 2.01% and 0.01%, respectively, while the consumer goods sector increased by 0.03%. The Oil & Gas Index flattened.

Outlook: *We expect a similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 11.37% (or ₦108.15) to \$/₦843.07 from \$/₦951.22 recorded yesterday.

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

Commodities

Oil prices recouped some of its losses after tumbling to a six-month low yesterday, but investors remained concerned about sluggish demand in the United States and China. Brent crude was reported at \$74.71 per barrel, and West Texas Intermediate (WTI) at \$69.96 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 fell slightly to \$2,045.10 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
MULTIVERSE	8.54	0.77	↑	9.91%
MANSARD	4.50	0.40	↑	9.76%
SCOA	1.35	0.12	↑	9.76%
INFINITY	1.61	0.14	↑	9.52%
TIP	1.15	0.10	↑	9.52%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
FBNH	26.50	-2.90	↓	-9.86%
NSLTECH	0.75	-0.08	↓	-9.64%
DEAPCAP	0.67	-0.07	↓	-9.46%
CHAMPION	3.30	-0.25	↓	-7.04%
TANTALIZER	0.47	-0.03	↓	-6.00%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.49%	↑ 0.13%	↑ 0.13%	↑ 39.43%
NSE Banking Index	↓ -2.01%	↑ 5.59%	↑ 5.59%	↑ 89.19%
NSE Insurance Index	↑ 1.83%	↓ -1.75%	↓ -1.75%	↑ 70.61%
NSE Industrial Goods Index	↓ -0.01%	↓ -2.44%	↓ -2.44%	↑ 12.95%
NSE Consumer Goods Index	↑ 0.03%	↓ -0.02%	↓ -0.02%	↑ 93.86%
NSE Oil & Gas Index	→ 0.00%	↑ 0.04%	↑ 0.04%	↑ 126.40%

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