

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening system expanded by c.130.94% from ₦76.83 billion last Friday to ₦177.44 billion today. As a result, the Open Repo Rate (OPR) and the Overnight Rate (O/N) shed 317bps and 263bps to 16.00%, and 16.95%, respectively.

**Outlook:** *We expect the interbank rates to juggle around similar levels tomorrow.*

### Treasury Bills

Activity in the treasury bills market was quiet, albeit few interests on the long-dated papers (November and December 2024) were observed, as players stay cautious on the direction of yields. Overall, the average mid-rate declined by 31bps to settle at 9.33%.

**Outlook:** *We expect a buy-side interest to ease tomorrow.*

### FGN Bonds

The local bonds market was calm today, as market shifted attention to the FGN bond auction. Although, occasional buy-side interests on selected papers like 2037 and 2053 was witnessed. Nevertheless, the average mid-yield remained unchanged at 15.64%.

**Outlook:** *We expect activity to trend bullish tomorrow, given the decline in stop rates at today's FGN bond auction.*

### Eurobonds

The Eurobonds market exhibited a weak theme, though the underlying tone was mixed due to the absence of any major jitters. While Ghana's paper was bearish around the short-to-medium region, Nigeria's was mostly bullish on the short and long-dated papers. On the other hand, Kenya was calm in today's session. Overall, the average mid-yield across Nigerian papers remained unaltered at 10.33%.

**Outlook:** We expect the US CPI data to be at the spotlight of investors' watch.

Date	Sys. Liq. (₦bn)	Diff.
11-Dec-23	177.44	↑ 100.61
8-Dec-23	76.83	

Source: CBN

### AiICO Money Market Fund (AMMF)

(As of 8th December 2023)	13.9538%
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 (-11.34% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*75.72 (-0.16% d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	11-Dec-23	08-Dec-23	Change in Rates
45 days	5.00%	5.00%	(0.00%)
150 days	9.87%	9.87%	(0.00%)
269 days	11.97%	11.97%	(0.00%)

Source: FMDQ DQL for 11 December 2023

Benchmark FGN Bond Yields			
	11-Dec-23	08-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.75%	13.76%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.73%	14.73%	(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 11 December 2023

Benchmark FGN Eurobond Yields			
	11-Dec-23	08-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.76%	9.80%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	10.44%	10.43%	(0.01%)
15 yrs: NGERIA 7.696 23/02/38	10.83%	10.85%	+0.02%
30 yrs: NGERIA 9.248 01/21/49	11.07%	11.07%	(0.00%)
7.125% ECOTRAN 16/02/26	12.65%	12.50%	(0.15%)

Source: FBN UK Runs for 11 December 2023

## Nigerian Equities

The Nigerian equity market closed bullish today, due to general bullish sentiment across several tickers. Contextually, the ASI appreciated by 0.18% to 71, 669.91 points, while the YTD performance settled at 39.84%, contributing to a total market capitalization of approximately ₦39.21 trillion. Trading activity was lower, as total volume and value trades declined by 25.51% and 46.53%, respectively.

Further, the total volume and value traded were led by VERITASKAP and ACCESSCORP with 88.84 million units and ₦612.70 billion, correspondingly. The Banking and Industrial Indices appreciated by 1.59% and 0.21%, 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 21.36% (or ₦234.76) to \$/₦864.29 from \$/₦1,099.05 recorded last Friday.

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

## Commodities

Oil prices dipped today as worries persisted around crude oversupply despite OPEC+ cuts and softer fuel demand growth next year. Brent crude was reported at \$76.02 per barrel, and West Texas Intermediate (WTI) at \$71.30 per barrel, as at printing time. Similarly, Gold prices fell slightly to \$1,997.00 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
SFSREIT	101.35	9.20	↑	9.98%
ETI	22.80	2.05	↑	9.88%
DEAPCAP	0.67	0.06	↑	9.84%
SCOA	1.48	0.13	↑	9.63%
INFINITY	1.94	0.17	↑	9.60%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
RTBRISCOE	0.56	-0.06	↓	-9.68%
NSLTECH	0.68	-0.07	↓	-9.33%
NEM	5.35	-0.55	↓	-9.32%
NNFM	35.25	-3.25	↓	-8.44%
UPDCREIT	4.60	-0.40	↓	-8.00%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.18%	↑ 1.02%	↑ 0.43%	↑ 39.84%
NSE Banking Index	↑ 1.59%	↑ 7.75%	↑ 8.99%	↑ 95.28%
NSE Insurance Index	↓ -0.21%	↓ -1.36%	↓ -2.72%	↑ 68.93%
NSE Industrial Goods Index	↑ 0.21%	↑ 1.46%	↓ -2.88%	↑ 12.45%
NSE Consumer Goods Index	↑ 0.03%	↑ 0.17%	↑ 0.16%	↑ 94.21%
NSE Oil & Gas Index	→ 0.00%	↓ -0.57%	↓ -0.53%	↑ 125.12%

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