

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system fell slightly by c.3.39% to ₦171.43 billion from ₦177.44 billion recorded yesterday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) shed 26bps and 74bps to 15.74%, and 16.21%, respectively.

Outlook: We expect the interbank rates increase tomorrow, as FGN bond auction settlement should drain liquidity.

Treasury Bills

In today's session, buying interests persisted on the long-dated papers, with few offers. Nevertheless, the average mid-rate closed flat at 9.33%, as players positioned for tomorrow's auction.

Outlook: We expect activities to be skewed towards the NTB auction tomorrow, as the DMO would be offering treasury bills worth ₦13.58 billion.

FGN Bonds

Activity in the local bonds market was bullish today, following yesterday's auction result, where stop rates declined significantly across the on-the-run papers. Consequently, average mid-yield rate shed 52bps to settle at 15.11%.

Outlook: We expect the bullish bias to persist in tomorrow's session.

Eurobonds

The biggest data watch today, the US CPI data, printed lower at 3.10% y/y in November, down from 3.20% y/y in the preceding month. This further boosted confidence for the market, in terms of the US maintaining interest rate at current levels. Overall, market was bullish as forecast (3.10%) aligned with the actual print. However, some profit taking towards the closing bell led to the average mid-yield increasing by 6bps to settle at 10.39%.

Outlook: While market tilt attention to Fed's interest rate decision tomorrow, activity should stay bullish, pending any major drift in Production Price Index, perhaps, a surprise forward guidance.

Date	Sys. Liq. (₦'bn)	Diff.
12-Dec-23	171.43	↓ (6.01)
11-Dec-23	177.44	

Source: CBN

AICO 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 (-11.33% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*73.74 (-3.01% d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	12-Dec-23	11-Dec-23	Change in Rates
44 days	5.00%	5.00%	(0.00%)
149 days	9.87%	9.87%	(0.00%)
268 days	11.97%	11.97%	(0.00%)

Source: FMDQ DQL for 12 December 2023

Benchmark FGN Bond Yields			
	12-Dec-23	11-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.75%	13.75%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.74%	14.73%	(0.01%)
20 yrs: 13.00% 21-Jan-2042	16.00%	16.70%	+0.70%
30 yrs: 12.98% 27-Mar-2050	16.70%	16.90%	+0.20%

Source: FMDQ DQL for 12 December 2023

Benchmark FGN Eurobond Yields			
	12-Dec-23	11-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.80%	9.76%	(0.04%)
10 yrs: NGERIA 7.875 02/16/32	10.54%	10.44%	(0.10%)
15 yrs: NGERIA 7.696 23/02/38	10.90%	10.83%	(0.07%)
30 yrs: NGERIA 9.248 01/21/49	11.10%	11.07%	(0.03%)
7.125% ECOTRAN 16/02/26	12.51%	12.65%	+0.14%

Source: FBN UK Runs for 12 December 2023

Nigerian Equities

The Nigerian equity market nudged higher today, with UBA (+2.65%) and MTNN (+2.08%) being the major bullish mover. The ASI appreciated by 0.33% to 72, 907.26 points, while the YTD performance climbed back to 40.30%, contributing to a total market capitalization of approximately ₦39.35 trillion. Trading activity was mixed, as total volume declined by 14.86%, while total value traded increased by 52.54%.

Further, the total volume and value traded were both led by JBERGER 42.54 million units and ₦1.46 billion, correspondingly. The Banking and Consumer Goods Indices appreciated by 0.67% and 0.01%, respectively, while the Oil & Gas Index fell by 1.03%.

Outlook: We expect ASI to cross 73,000 points tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) slightly depreciated by 0.09% (or ₦0.74) to \$/₦865.03 from \$/₦864.29 recorded yesterday.

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

Commodities

U.S. crude oil prices dropped more than 3% as traders worry that the Federal Reserve does not yet have inflation under control. Brent crude was reported at \$73.42 per barrel, and West Texas Intermediate (WTI) at \$68.77 per barrel, as at printing time. Similarly, Gold prices fell slightly to \$1,997.50 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
INFINITY	2.13	0.19	↑	9.79%
SCOA	1.62	0.14	↑	9.46%
DAARCOMM	0.37	0.03	↑	8.82%
ROYALEX	0.64	0.05	↑	8.47%
NEIMETH	2.05	0.15	↑	7.89%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
GUINEAINS	0.27	-0.03	↓	-10.00%
CONOIL	78.00	-8.50	↓	-9.83%
JULI	0.65	-0.07	↓	-9.72%
OMATEK	0.73	-0.07	↓	-8.75%
THOMASWY	3.05	-0.27	↓	-8.13%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.33%	↑ 0.92%	↑ 0.76%	↑ 40.30%
NSE Banking Index	↑ 0.67%	↑ 6.92%	↑ 9.73%	↑ 96.60%
NSE Insurance Index	↓ -0.49%	↓ -1.68%	↓ -3.20%	↑ 68.10%
NSE Industrial Goods Index	↓ 0.00%	↓ -0.48%	↓ -2.88%	↑ 12.44%
NSE Consumer Goods Index	↑ 0.00%	↑ 0.10%	↑ 0.16%	↑ 94.21%
NSE Oil & Gas Index	↓ -1.03%	↓ -1.59%	↓ -1.55%	↑ 122.81%

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