

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system declined by c.14.47% to ₦146.62 billion from ₦171.43 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) expanded by 145bps and 198bps to 17.19%, and 18.19%, respectively.

Outlook: *We expect the interbank rates to hover at similar levels tomorrow.*

Treasury Bills

Given today's auction, activity in the secondary market was quite calm, with a few sell interests noticed on the long-dated papers amid expectation of the auction closing higher than current market levels. As a result, the average mid-rate increased by 34bps to 9.67%.

Outlook: *We expect the direction of tomorrow's activities to be dictated by the auction result.*

FGN Bonds

The local bonds market experienced a mixed to bullish sentiment today, with most activities largely seen on 2029, 2037, and 2053 papers. Overall, the average mid-yield rate declined by c.4bps to 15.07%.

Outlook: *We expect market to trade sideways in the interim.*

Eurobonds

Ahead of interest rate decision by the US Federal Reserve today, market expressed a bullish sentiment, with expectation for a "Hold" stance. Although, activity was less aggressive among the SSA papers, except Ghana's curve will see selling interest towards the end of the session. Overall, market settled on a bullish note, as average mid-yield fell by 6bps to settle at 10.33%.

Outlook: *We expect the bullish bias to persist, albeit, on a less aggressive pace.*

Date	Sys. Liq. (₦bn)	Diff.
13-Dec-23	146.62	↓ (24.81)
12-Dec-23	171.43	

Source: CBN

AiICO Money Market Fund (AMMF)

(As of 12th December 2023)	13.5291%
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	*73.83 (+0.76% d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	13-Dec-23	12-Dec-23	Change in Rates
43 days	5.00%	5.00%	(0.00%)
148 days	9.87%	9.87%	(0.00%)
267 days	11.97%	11.97%	(0.00%)

Source: FMDQ DQL for 13 December 2023

Benchmark FGN Bond Yields			
	13-Dec-23	12-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%	14.74%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	16.00%	16.00%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.70%	16.70%	(0.00%)

Source: FMDQ DQL for 13 December 2023

Benchmark FGN Eurobond Yields			
	13-Dec-23	12-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.80%	9.80%	(0.00%)
10 yrs: NGERIA 7.875 02/16/32	10.49%	10.54%	+0.05%
15 yrs: NGERIA 7.696 23/02/38	10.83%	10.90%	+0.07%
30 yrs: NGERIA 9.248 01/21/49	11.09%	11.10%	+0.01%
7.125% ECOTRAN 16/02/26	12.30%	12.51%	+0.21%

Source: FBN UK Runs for 13 December 2023

Nigerian Equities

Bullish rally in the banking names drove market to close on a bullish note. Precisely, ACCESSCORP (+8.09%), FBNH (+4.97%) and UBA (+3.45%) were the major drivers. The ASI appreciated by 0.55% to 72, 299.79 points, while the YTD performance settled at 41.07%, contributing to a total market capitalization of approximately ₦39.56 trillion. Trading activity was positive, as total volume increased by 35.56%, while total value traded increased by 37.40%.

Further, the total volume and value traded were led by ACCESSCORP with 60.18 million units and GTCO ₦1.96 billion. The Banking and Industrial Indices appreciated by 3.42% and 0.01%, respectively, while the Consumer Goods and Oil & Gas Indices fell by 0.18% and 0.20%, respectively.

Outlook: *We the bullish bargain to resurface tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 4.58% (or ₦39.62) to \$/₦904.65 from \$/₦865.03 recorded yesterday.

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

Commodities

Oil were steady today, after falling by more than 3% to six-month lows on oversupply and demand concerns. Brent crude was reported at \$73.91 per barrel, and West Texas Intermediate (WTI) at \$69.22 per barrel, as at printing time. Gold extended gains today, as subdued Treasury yields boosted the bullion's appeal, while investors awaited the outcome of U.S. Federal Reserve's meeting for cues to its monetary policy outlook. Thus, Gold prices increased to \$1,998.30 per ounce from the previous day, as of printing time.

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

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
SCOA	1.78	0.16	↑	9.88%
INFINITY	2.34	0.21	↑	9.86%
ACCESSCORP	22.05	1.65	↑	8.09%
CORNERST	1.45	0.10	↑	7.41%
TRANSCOHOT	46.90	3.00	↑	6.83%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
UPL	2.48	-0.27	↓	-9.82%
SUNUASSUR	1.16	-0.12	↓	-9.38%
ETERNA	11.45	-1.00	↓	-8.03%
FLOURMILL	30.30	-1.45	↓	-4.57%
CHAMS	1.90	-0.08	↓	-4.04%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.55%	↑ 0.68%	↑ 1.31%	↑ 41.07%
NSE Banking Index	↑ 3.42%	↑ 5.31%	↑ 13.48%	↑ 103.32%
NSE Insurance Index	↑ 0.88%	↑ 1.21%	↓ -2.35%	↑ 69.57%
NSE Industrial Goods Index	↑ 0.01%	↓ -0.44%	↓ -2.87%	↑ 12.45%
NSE Consumer Goods Index	↓ -0.18%	↑ 0.03%	↓ -0.02%	↑ 93.86%
NSE Oil & Gas Index	↓ -0.20%	↓ -1.78%	↓ -1.74%	↑ 122.37%

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