

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system fell significantly by c.225.10% to ₦183.42 billion from ₦146.62 billion recorded yesterday due to the NTB auction debit. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 246bps and 221bps to 19.65%, and 20.40%, respectively.

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

Treasury Bills

After yesterday's plunge in stop rates, relative to the previous auction, the secondary market experienced stronger demands, with bids saturating across the curve, especially the one-year paper. Although, some sell interests continued, but market closed the session bullish. As a result, the average mid-rate shed 157ps to 8.18%.

Outlook: *We expect the bullish bargain to persist.*

FGN Bonds

The local bonds extended its bullish bias in today's session, with most buying interests noticed on the 2029 and 2053 papers. Overall, the average mid-yield rate declined by c.23bps to 14.84%.

Outlook: *We expect the bullish sentiment to linger.*

Eurobonds

At the end of the FOMC meeting yesterday, policy makers voted to hold interest rate. In addition, Fed's Chair, Powell, signalled rate cut by next year (2024) and unveiled a lower inflation forecast for 2024. Accordingly, Africa Eurobonds market reacted with a strong bullish bias today, as buying interests were felt across the curve. In a similar fashion, the European Central Bank decided to maintain rate at current levels, although, pushed back on rate cut expectation by the market. The ECB also trimmed inflation forecast alongside and expect a slower economic growth in 2024. Overall, market settled on a bullish note. Specifically for the Nigeria's curve, average mid-yield fell by 51bps to settle at 9.82%.

Outlook: *We expect the bullish euphoria to stir further into tomorrow's session.*

Date	Sys. Liq. (₦bn)	Diff.
14-Dec-23	-183.42	↓(330.04)
13-Dec-23	146.62	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 13th December 2023)	14.1467%
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)	32.86 (-11.40% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*76.89 (+3.54% d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	14-Dec-23	13-Dec-23	Change in Rates
42 days	3.00%	5.00%	+2.00%
147 days	6.97%	9.87%	+2.90%
266 days	9.38%	11.97%	+2.59%

Source: FMDQ DQL for 14 December 2023

Benchmark FGN Bond Yields			
	14-Dec-23	13-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.07%	13.75%	+0.68%
10 yrs: 12.50% 27-Apr-2032	14.88%	14.74%	(0.14%)
20 yrs: 13.00% 21-Jan-2042	15.53%	16.00%	+0.47%
30 yrs: 12.98% 27-Mar-2050	16.14%	16.70%	+0.56%

Source: FMDQ DQL for 14 December 2023

Benchmark FGN Eurobond Yields			
	14-Dec-23	13-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.19%	9.80%	+0.61%
10 yrs: NGERIA 7.875 02/16/32	9.94%	10.49%	+0.55%
15 yrs: NGERIA 7.696 23/02/38	10.42%	10.83%	+0.41%
30 yrs: NGERIA 9.248 01/21/49	10.62%	11.09%	+0.47%
7.125% ECOTRAN 16/02/26	11.53%	12.30%	+0.77%

Source: FBN UK Runs for 14 December 2023

Nigerian Equities

The bullish bias in today's session was also supported by the banking sector, especially ACCESSCORP (+3.40%) with over ₦1.76 billion traded today. The ASI gained 0.22% to 72, 455.83 points, while the YTD performance settled at 41.37%, contributing to a total market capitalization of approximately ₦39.64 trillion. Trading activity was mixed, as total volume increased by 3.09%, while total value traded fell by 10.16%.

Further, the total volume and value traded were both led by ACCESSCORP with 77.25 million units and ₦1.76 billion. The Banking and Industrial Indices appreciated by 1.90% and 0.01%, respectively, while the Consumer Goods and Oil & Gas Indices gained 0.01% and 0.02%, respectively.

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

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 was 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
INFINITY	2.57	0.23	↑	9.83%
JOHNHOLT	2.03	0.18	↑	9.73%
IKEJAHOTEL	4.75	0.40	↑	9.20%
DAARCOMM	0.42	0.03	↑	7.69%
ETRANZACT	7.00	0.50	↑	7.69%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
RTBRISCOE	0.55	-0.06	↓	-9.84%
UPDCREIT	4.15	-0.45	↓	-9.78%
MBENEFIT	0.48	-0.05	↓	-9.43%
OMATEK	0.71	-0.06	↓	-7.79%
SOVRENINS	0.36	-0.03	↓	-7.69%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.22%	↑ 1.40%	↑ 1.53%	↑ 41.37%
NSE Banking Index	↑ 1.90%	↑ 9.51%	↑ 15.63%	↑ 107.18%
NSE Insurance Index	↓ -1.94%	↓ -2.53%	↓ -4.24%	↑ 66.29%
NSE Industrial Goods Index	↑ 0.02%	↓ -0.42%	↓ -2.85%	↑ 12.47%
NSE Consumer Goods Index	↑ 0.01%	↑ 0.01%	↓ -0.01%	↑ 93.89%
NSE Oil & Gas Index	↑ 0.02%	↓ -1.76%	↓ -1.73%	↑ 122.41%

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