

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening system stayed in the negative region today at -₦50.01 billion from -₦95.58 billion recorded last Friday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) contracted by 125bps and 125bps to 21.00%, and 22.00%, respectively.

**Outlook: We expect the elevated interbank rates to linger, as liquidity remains frail.**

### Treasury Bills

The treasury bills market was moderately stirred in today's session, partly due to market illiquidity and less selling interests. Accordingly, the average mid-rate flattened at 8.18%.

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

### FGN Bonds

The local bonds closed today's session slightly bullish, as average mid-yield rate declined marginally by 1bp to settle at 14.93%. To expound, activity was jolted mostly around the on-the-run papers, particularly the 2053 paper.

**Outlook: We expect market to trade sideways in the mid-term.**

### Eurobonds

After an extended bullish rally on the back of anticipated Fed's policy pivot, the Eurobond market was relaxed in today's session, while posting a quietly mixed sentiment as observed across the African curves. This followed the statement from Federal Reserve Bank of Chicago President over the weekend, hinting that the declaration of victory over inflation rate is too early, and adding that rate cut would be hinged on prevailing inflation data. Overall, average mid-yield fell slightly by 1bp to settle at 9.75%.

**Outlook: We expect the current sentiment to persist.**

Date	Sys. Liq. (₦bn)	Diff.
18-Dec-23	-50.10	↑ 45.48
15-Dec-23	-95.58	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 15th December 2023)	14.2418%
Added Benefit	Personal accident insurance cover

Macro Indicators	
GDP (Q3 2023)	+2.54% (Q2: 2023 +2.51% y/y)
Inflation (November'2023)	28.20% (Oct'23: 27.33%)
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, AIICO Capital

Benchmark T-Bills Discount Rates			
	18-Dec-23	15-Dec-23	Change in Rates
80 days	5.85%	5.85%	(0.00%)
171 days	7.53%	7.53%	(0.00%)
325 days	12.35%	12.35%	(0.00%)

Source: FMDQ DQL for 18 December 2023

Benchmark FGN Bond Yields			
	18-Dec-23	15-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.06%	13.07%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.77%	14.77%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.53%	15.53%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.16%	16.16%	(0.00%)

Source: FMDQ DQL for 18 December 2023

Benchmark FGN Eurobond Yields			
	18-Dec-23	15-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.11%	9.15%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	9.87%	9.89%	+0.02%
15 yrs: NGERIA 7.696 23/02/38	10.23%	10.31%	+0.08%
30 yrs: NGERIA 9.248 01/21/49	10.48%	10.56%	+0.08%
7.125% ECOTRAN 16/02/26	11.26%	11.54%	+0.28%

Source: FBN UK Runs for 18 December 2023

## Nigerian Equities

The Nigerian bourse expressed a mixed sentiment among bellwether tickers. Nonetheless, the ASI closed the session bullish, with +0.02% to settle at 72,404.91 points, while the YTD performance settled at 41.27%, contributing to a total market capitalization of approximately ₦39.62 trillion. Trading activity was mixed, as total volume increased by 5.57%, while total value traded fell by 33.03%.

Further, the total volume and value traded were led by MBENEFIT with 77.25 million units and UBA with ₦689.91 billion. The Banking, Industrial and Oil & Gas Indices appreciated by 0.07%, 0.03%, and 0.09%, respectively, while the consumer goods sector declined by 0.03%.

**Outlook:** *We the bullish bias to ease tomorrow.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.17% (or ₦1.51) to \$/₦888.35 from \$/₦889.86 recorded yesterday.

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

## Commodities

Oil rose more than 2% today as attacks by the Houthis on ships in the Red Sea raised concerns of oil supply disruptions, although ample supply and skepticism around Russia's plan to cut exports in December limited gains. Brent crude was reported at \$78.69 per barrel, and West Texas Intermediate (WTI) at \$73.47 per barrel, as at printing time. Gold prices edged upward due to softer dollar, while focus has now turned to key U.S. inflation data seeking additional signals on the Federal Reserve's interest rate path after its recent dovish tilt. Thus, Gold prices increased to \$2,036.60 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	3.10	0.28	↑	9.93%
JOHNHOLT	2.45	0.22	↑	9.87%
TRANSCOHOT	51.30	4.40	↑	9.38%
SCOA	1.89	0.15	↑	8.62%
FTNCOCOA	1.57	0.11	↑	7.53%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
ABCTRANS	0.82	-0.09	↓	-9.89%
ETRANZACT	6.25	-0.65	↓	-9.42%
RTBRISCOE	0.55	-0.05	↓	-8.33%
SOVREININS	0.36	-0.03	↓	-7.69%
TIP	1.09	-0.08	↓	-6.84%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.02%	↑ 1.03%	↑ 1.46%	↑ 41.27%
NSE Banking Index	↑ 0.07%	↑ 5.41%	↑ 14.88%	↑ 105.84%
NSE Insurance Index	↓ -1.30%	↓ -2.04%	↓ -4.71%	↑ 65.48%
NSE Industrial Goods Index	↑ 0.03%	↑ 0.06%	↓ -2.82%	↑ 12.51%
NSE Consumer Goods Index	↓ -0.03%	↑ 0.16%	↑ 0.32%	↑ 94.52%
NSE Oil & Gas Index	↑ 0.09%	↓ -0.18%	↓ -0.71%	↑ 124.71%

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