

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity opened at -₦37.42 billion compared to -₦50.01 billion recorded yesterday. Although, interbank rates ticked up slightly, as the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 40bps and 60bps to 21.40%, and 22.60%, respectively.

Outlook: Interbank should stay within a close-rang band in the interim.

Treasury Bills

Today's session was slightly active on only a few papers around the short and long ends of the curve. At the closing bell, the average mid-rate fell marginally by 1bp to 8.17%.

Outlook: We expect the modest bullish theme to persist.

FGN Bonds

Activity in the local bonds market improved today, with mixed sentiment noticed on several papers, including the 2028, 2029, 2037 and 2053 maturities. At the end of trading, market closed bullish as average mid-yield rate declined by c.1bp to settle at 14.82%.

Outlook: We expect the mixed sentiment to remain in the interim.

Eurobonds

The SSA and North African curves started off quietly mixed but swung to a full bullish mode as players embraced and traded on the seemingly dovish Fed stance. Overall, Nigerian's curve concluded the session on a bullish note, as average mid-yield declined by 19bp to settle at 9.56%.

Outlook: We expect the current sentiment to persist.

Date	Sys. Liq. (₦bn)	Diff.
19-Dec-23	-37.42	↑ 12.68
18-Dec-23	-50.10	

Source: CBN

AiICO Money Market Fund (AMMF)

(As of 18th December 2023)	13.7067%
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)	32.80 (-11.54% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.57 (+0.80% d/d)

Source: NBS,CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	19-Dec-23	18-Dec-23	Change in Rates
79 days	5.85%	5.85%	(0.00%)
170 days	7.53%	7.53%	(0.00%)
324 days	12.35%	12.35%	(0.00%)

Source: FMDQ DQL for 19 December 2023

Benchmark FGN Bond Yields			
	19-Dec-23	18-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.06%	13.06%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.68%	14.77%	+0.09%
20 yrs: 13.00% 21-Jan-2042	15.45%	15.53%	+0.08%
30 yrs: 12.98% 27-Mar-2050	16.09%	16.16%	+0.07%

Source: FMDQ DQL for 19 December 2023

Benchmark FGN Eurobond Yields			
	19-Dec-23	18-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.91%	9.11%	+0.20%
10 yrs: NGERIA 7.875 02/16/32	9.70%	9.87%	+0.17%
15 yrs: NGERIA 7.696 23/02/38	10.03%	10.23%	+0.20%
30 yrs: NGERIA 9.248 01/21/49	10.33%	10.48%	+0.15%
7.125% ECOTRAN 16/02/26	10.85%	11.26%	+0.41%

Source: FBN UK Runs for 19 December 2023

Nigerian Equities

The Nigerian equity market was mixed today, as WAPCO (+3.68%) and UBA (+3.09) made the spotlight among the bulls, while STANBIC (-9.08%) and FBNH (-0.43%) led the bears. At the closing bell, the ASI closed the session bullish, with +0.09% to settle at 72,470.10 points, while the YTD performance settled at 41.40%, contributing to a total market capitalization of approximately ₦39.66 trillion. Trading activity was positive, as total volume increased by 26.82%, while total value traded rose by 58.02%.

Further, the total volume and value traded were led by UBA with 34.66 million units and GTCO with ₦902.20 billion. The Banking and Industrial indices appreciated by 1.89% and 0.22%, respectively, while the consumer goods sector lost 0.22%. The Oil & Gas Index closed flat.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 4.90% (or ₦43.50) to \$/₦844.85 from \$/₦888.35 recorded yesterday.

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

Commodities

Oil prices gained as tankers shun the Red Sea on the back of heightened attacks by Iran-backed Houthi militants which have disrupted international shipping routes. Brent crude was reported at \$79.17 per barrel, and West Texas Intermediate (WTI) at \$73.55 per barrel, as at printing time. Gold prices increased further as investors anticipate the U.S. economic data that could provide further indications on the outlook for interest rates.. Thus, Gold prices increased to \$2,058.90 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	
CAVERTON	1.76	0.16	↑	10.00%	
INFINITY	3.41	0.31	↑	10.00%	
NNFM	42.40	3.65	↑	9.42%	
RTBRISCOE	0.60	0.05	↑	9.09%	
TIP	1.18	0.09	↑	8.26%	

Source: NGX, AIICO Capital

Top 5 Equity Decliners					
Name (Symbol)	Closing Price	Loss(N)		% Change	
OMATEK	0.63	-0.07	↓	-10.00%	
PRESTIGE	0.47	-0.05	↓	-9.62%	
ETRANZACT	5.65	-0.60	↓	-9.60%	
STANBIC	59.10	-5.90	↓	-9.08%	
UPDC	1.21	-0.12	↓	-9.02%	

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.09%	↑ 0.78%	↑ 1.55%	↑ 41.40%
NSE Banking Index	↑ 1.89%	↑ 6.68%	↑ 17.06%	↑ 109.73%
NSE Insurance Index	↑ 0.40%	↓ -1.17%	↓ -4.33%	↑ 66.14%
NSE Industrial Goods Index	↑ 0.22%	↑ 0.28%	↓ -2.61%	↑ 12.76%
NSE Consumer Goods Index	↓ -0.22%	↓ -0.06%	↑ 0.10%	↑ 94.09%
NSE Oil & Gas Index	→ 0.00%	↑ 0.85%	↓ -0.71%	↑ 124.71%

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