

# Daily Financial Market Update

**AICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

System liquidity opened higher at ₦315.72 billion compared to -₦37.42 billion recorded yesterday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) fell by 532bps and 550bps to 16.08%, and 17.10%, respectively.

**Outlook:** Interbank rates is expected to slightly weaken.

### Treasury Bills

The treasury bills market was less active, partly due to the OMO auction announcement, where the CBN offered ₦100.00 billion across the 90-Day, 181-Day and 356-Day papers. Although, despite some activity seen at the long-dated of the curve, average mid-yield remained at 8.17%.

**Outlook:** We expect sentiment to be hinged on the outcome of the OMO bills result.

### FGN Bonds

Mixed activity persisted in the local bonds market today, with interests saturating around the 2028, 2029, 2038 and 2053 maturities. Overall, market closed relatively flat, as average mid-yield rate inched up by c.1bp to 14.66%.

**Outlook:** We expect similar session tomorrow.

### Eurobonds

The SSA and North African markets witnessed a calm session, albeit with an underlying bullish tone amid anticipation of potential rate cuts by the US Federal Reserve in 2024. There were also few interests from retail clients across the Nigerian corporates, particularly SEPLLN 2026s. Overall, Nigerian's curve concluded the session on a bullish note, as average mid-yield declined by 2bp to settle at 9.54%.

**Outlook:** We expect the bullish bias to ease as market players keep tabs on the PCE Price Index, in a bid to reassess the progress made in taming inflationary pressures.

Date	Sys. Liq. (₦bn)	Diff.
20-Dec-23	315.73	↑ 353.14
19-Dec-23	-37.42	

Source: CBN

### AICO Money Market Fund (AMMF)

(As of 19th December 2023)	14.2732%
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	*80.20 (+1.22% d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	20-Dec-23	19-Dec-23	Change in Rates
78 days	5.85%	5.85%	(0.00%)
169 days	7.53%	7.53%	(0.00%)
323 days	11.43%	12.35%	+0.92%

Source: FMDQ DQL for 20 December 2023

Benchmark FGN Bond Yields			
	20-Dec-23	19-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%	14.68%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.45%	15.45%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.09%	16.09%	(0.00%)

Source: FMDQ DQL for 20 December 2023

Benchmark FGN Eurobond Yields			
	20-Dec-23	19-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.87%	8.91%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	9.72%	9.70%	(0.02%)
15 yrs: NGERIA 7.696 23/02/38	9.96%	10.03%	+0.07%
30 yrs: NGERIA 9.248 01/21/49	10.25%	10.33%	+0.08%
7.125% ECOTRAN 16/02/26	10.02%	10.85%	+0.83%

Source: FBN UK Runs for 20 December 2023

## Nigerian Equities

The Nigerian All-Share Index advanced by 1.28% - to settle at 73,397.71 points - in today's session, largely impacted by strong demand in TRANSCORP (+10.00%), FIDELITYBK (+6.25%), and AIRTELAFRI (+4.87%). The YTD performance settled at 43.21%, nudging the total market capitalization at ₦40.16 trillion. Trading activity was positive, as total volume increased by 34.88%, while total value traded rose by 84.62%.

Further, the total volume and value traded were both led by GTCO with 89.45 million units and ₦3.58 billion. The Banking, Industrial and Oil & Gas indices appreciated by 0.79%, 0.11% and 0.05% respectively, while the consumer goods sector lost 0.23%.

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

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 1.16% (or ₦9.76) to \$/₦854.61 from \$/₦844.50 recorded yesterday.

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

## Commodities

Oil prices rose more than 1% today as traders observed Red Sea developments. Brent crude was reported at \$80.26 per barrel, and West Texas Intermediate (WTI) at \$75.02 per barrel, as at printing time. Gold held steady on Fed rate-cut hopes; focus on U.S. inflation print.. Thus, Gold prices increased to \$2,044.60 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
TRANSCORP	7.70	0.70	↑	10.00%
MULTIVERSE	11.55	1.05	↑	10.00%
INFINITY	3.75	0.34	↑	9.97%
ETRANZACT	6.20	0.55	↑	9.73%
CAVERTON	1.93	0.17	↑	9.66%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
TANTALIZER	0.45	-0.05	↓	-10.00%
THOMASWY	2.65	-0.29	↓	-9.86%
TIP	1.07	-0.11	↓	-9.32%
JULI	0.59	-0.06	↓	-9.23%
CHAMS	1.81	-0.18	↓	-9.05%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.28%	↑ 1.52%	↑ 2.85%	↑ 43.21%
NSE Banking Index	↑ 0.79%	↑ 3.97%	↑ 17.98%	↑ 111.39%
NSE Insurance Index	↑ 0.83%	↓ -1.21%	↓ -3.53%	↑ 67.52%
NSE Industrial Goods Index	↑ 0.11%	↑ 0.38%	↓ -2.50%	↑ 12.88%
NSE Consumer Goods Index	↓ -0.23%	↓ -0.11%	↓ -0.13%	↑ 93.65%
NSE Oil & Gas Index	↑ 0.05%	↑ 1.11%	↓ -0.66%	↑ 124.83%

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