

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity surged by 128.75% to ₦427.54 billion compared to ₦186.90 billion recorded last week Friday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 27bps and 48bps to 15.33%, and 15.95%, respectively.

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

Treasury Bills

The treasury bills market was stirred bullish in the first trading session for the year, with limited offers to match the available bids. Thus, the average mid-rate settled at 8.66%.

Outlook: *We expect the bullish sentiment to continue in tomorrow's session.*

FGN Bonds

In similar fashion, the FGN local bonds market posted a bullish sentiment, with several buy-side interests, especially on the 2037, 2038, and 2053 papers. At market close, the average mid-yield fell by 3bps to 14.78%.

Outlook: *We expect a similar activity tomorrow.*

Eurobonds

Ahead of key market data this week (particularly the US employment data), activity in the Eurobonds market witnessed some selloffs across the spectrum. Overall, the Nigerian's curve closed higher, as average mid-yield increased by 27bps to settle at 9.70%.

Outlook: *We expect market to trade cautiously tomorrow.*

Date	Sys. Liq. (₦bn)	Diff.
2-Jan-24	427.54	↑ 240.64
29-Dec-23	186.90	

Source: CBN

AiICO Money Market Fund (AMMF)

(As of 29th December 2023)	14.1559%
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)	32.89 (-11.30% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*77.24 (+0.26% d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	02-Jan-24	29-Dec-23	Change in Rates
65 days	2.91%	2.91%	(0.00%)
156 days	5.43%	5.43%	(0.00%)
310 days	10.21%	10.21%	(0.00%)

Source: FMDQ DQL for 02 January 2024

Benchmark FGN Bond Yields			
	02-Jan-24	29-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.03%	13.04%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.20%	14.20%	(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 02 January 2024

Benchmark FGN Eurobond Yields			
	02-Jan-24	29-Dec-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.14%	8.85%	(0.29%)
10 yrs: NGERIA 7.875 02/16/32	9.75%	9.46%	(0.29%)
15 yrs: NGERIA 7.696 23/02/38	10.17%	9.90%	(0.27%)
30 yrs: NGERIA 9.248 01/21/49	10.40%	10.21%	(0.19%)
7.125% ECOTRAN 16/02/26	9.93%	9.79%	(0.14%)

Source: FBN UK Runs for 02 January 2024

Nigerian Equities

The Nigerian Equity market kick-started the year with an optimistic mood, as ASI market appreciated by 1.63%, given the strong demand for several tickers, especially AIRTELAFRI (+5.99%). Accordingly, the YTD performance settled at 1.63%, with total market capitalization at ₦41.58 trillion. Trading activity was witnessed a slowdown, as total volume fell by 39.93%, while total value traded declined by 56.53%.

Further, the total volume and value traded were led by WAPIC with 28.88 million units and FTNCOCOA ₦7.22 billion. The Consumer Goods and Oil & Gas Indices increased by 0.36% and 0.36%, respectively, while the Banking Index fell by 0.22%.

Outlook: *We expect a similar session tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 8.97% (or ₦81.35) to \$/₦988.46 from \$/₦907.11 recorded last Friday.

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

Commodities

Oil prices were volatile today after Iran dispatched a warship to the Red Sea, as the situation remained tensed in the critical waterway for global shipments that has seen vessels attacked by Yemen's Houthi rebels. Brent crude was reported at \$77.29 per barrel, and West Texas Intermediate (WTI) at \$71.77 per barrel, as at printing time. Gold prices increased to \$2,066.90 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	
AIICO	0.88	0.08	↑	10.00%	
LINKASSURE	0.88	0.08	↑	10.00%	
SUNUASSUR	1.21	0.11	↑	10.00%	
DAARCOMM	0.99	0.09	↑	10.00%	
INFINITY	6.60	0.60	↑	10.00%	

Source: NGX, AIICO Capital

Top 5 Equity Decliners					
Name (Symbol)	Closing Price	Loss(N)		% Change	
CADBURY	17.10	-1.90	↓	-10.00%	
THOMASWY	2.43	-0.27	↓	-10.00%	
MECURE	10.80	-1.20	↓	-10.00%	
PRESTIGE	0.46	-0.05	↓	-9.80%	
CONHALLPLC	1.33	-0.14	↓	-9.52%	

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.63%	↑ 2.66%	↑ 1.63%	↑ 1.63%
NSE Banking Index	↓ -0.22%	↑ 0.86%	↓ -0.22%	↓ -0.22%
NSE Insurance Index	↑ 0.94%	↑ 9.21%	↑ 0.94%	↑ 0.94%
NSE Industrial Goods Index	↑ 0.01%	↑ 0.02%	↑ 0.01%	↑ 0.01%
NSE Consumer Goods Index	↑ 0.36%	↓ -1.10%	↑ 0.36%	↑ 0.36%
NSE Oil & Gas Index	↑ 0.36%	↑ 0.73%	↑ 0.36%	↑ 0.36%

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