

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity declined by 44.36% to ₦237.90 billion compared to ₦427.54 billion recorded yesterday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 13bps and 5bps to 15.46%, and 16.00%, respectively.

Outlook: We expect the interbank rates to hover at similar levels tomorrow.

Treasury Bills

The treasury bills market was filled with buy-side interests, with most of the demand skewed to the short and long-dated maturities. Thus, the market average mid-rate shed c. 141bps to settle at 6.93%.

Outlook: We expect the bullish theme to persist.

FGN Bonds

Similarly, the FGN local bonds market witnessed a bullish theme, with the bulk of the buying interest observed across the 2033s, 2037s, 2038s and 2053 papers. At the closing bell, the average mid-yield fell by 20bps to 14.58%.

Outlook: We expect the bullish atmosphere to remain in tomorrow's session.

Eurobonds

The Eurobonds market continued to suffer losses, as more selloffs were observed across the major African curves, reflecting market contemplation on the timing of Fed's rate cut, even as the market anticipates the release of the last FOMC meeting minutes for guidance. As a result, the Nigerian curve witnessed average mid-yield increased by 35bps to settle at 10.05%.

Outlook: We expect tomorrow's market performance to be mostly swayed by the interpretation of the last FOMC meeting minutes.

Date	Sys. Liq. (₦bn)	Diff.
3-Jan-24	237.90	↓(189.64)
2-Jan-24	427.54	

Source: CBN

AICO 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)	32.91 (-11.25% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.16 (+2.99% d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	03-Jan-24	02-Jan-24	Change in Rates
64 days	2.91%	2.91%	(0.00%)
155 days	5.43%	5.43%	(0.00%)
309 days	10.21%	10.21%	(0.00%)

Source: FMDQ DQL for 03 January 2024

Benchmark FGN Bond Yields			
	03-Jan-24	02-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.03%	13.03%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.20%	14.20%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.30%	15.45%	+0.15%
30 yrs: 12.98% 27-Mar-2050	15.81%	16.09%	+0.28%

Source: FMDQ DQL for 03 January 2024

Benchmark FGN Eurobond Yields			
	03-Jan-24	02-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.55%	9.14%	(0.41%)
10 yrs: NGERIA 7.875 02/16/32	10.20%	9.75%	(0.45%)
15 yrs: NGERIA 7.696 23/02/38	10.49%	10.17%	(0.32%)
30 yrs: NGERIA 9.248 01/21/49	10.63%	10.40%	(0.23%)
7.125% ECOTRAN 16/02/26	10.21%	9.93%	(0.28%)

Source: FBN UK Runs for 03 January 2024

Nigerian Equities

The Nigerian Equity market sustained its bullish theme, as players bought into yesterday's pull back in the banking index – UBA (+10.00%), ACCESSCORP (+9.98%), and FIDELITYBK (+9.65%) – while buyside interests lingered on other bellwether tickers in the oil & gas and consumer goods sector. Evidently, the ASI appreciated by 2.04%, settling at 77,537.57 points, while YTD return settled at 3.70%, with total market capitalization at ₦42.43 trillion. Trading activity was positive, as total volume increased by 79.83%, while total value traded increased by 91.83%.

FIDELITYBK led the total volume chart with 108.11 million units, while UBA topped the value chart with ₦1.54 billion. All Indices closed in the green. The Banking and Industrial Indices gained 6.66% and 0.31%, while the Consumer Goods and Oil & Gas Indices increased by 2.42% and 1.89%, respectively.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 4.72% (or ₦46.66) to \$/₦1,035.12 from \$/₦988.46 recorded yesterday.

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

Commodities

Oil prices rose today after reports of a disruption to Libya's top oilfield added to supply concerns emanating from tensions in the Red Sea. Brent crude was reported at \$78.14 per barrel, and West Texas Intermediate (WTI) at \$72.59 per barrel, as at printing time. Gold prices increased to \$2,043.80 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
IKEJAHOTEL	7.26	0.66	↑	10.00%
UBA	28.60	2.60	↑	10.00%
INFINITY	7.26	0.66	↑	10.00%
UPL	2.64	0.24	↑	10.00%
BERGER	14.30	1.30	↑	10.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
LEARNAFRCA	2.90	-0.29	↓	-9.09%
CHAMPION	3.80	-0.30	↓	-7.32%
CILEASING	5.03	-0.12	↓	-2.33%
NGXGROUP	23.10	-0.40	↓	-1.70%
ELLAHLAKES	3.00	-0.05	↓	-1.64%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 2.04%	↑ 5.11%	↑ 3.70%	↑ 3.70%
NSE Banking Index	↑ 6.66%	↑ 7.26%	↑ 6.30%	↑ 6.30%
NSE Insurance Index	↑ 5.47%	↑ 11.77%	↑ 6.46%	↑ 6.46%
NSE Industrial Goods Index	↑ 0.31%	↑ 3.60%	↑ 2.46%	↑ 2.46%
NSE Consumer Goods Index	↑ 2.42%	↑ 1.44%	↑ 2.79%	↑ 2.79%
NSE Oil & Gas Index	↑ 1.89%	↑ 2.39%	↑ 2.26%	↑ 2.26%

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