

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

System liquidity declined by 44.18% to ₦132.79 billion compared to ₦237.90 billion recorded yesterday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) declined by 175bps and 167bps to 13.71%, and 14.33%, respectively.

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

### Treasury Bills

The treasury bills continued to witness buyside interests on long-dated papers. However, the bullish bias was relatively weaker than yesterday. Nonetheless, the average mid-rate remained flat at 6.93%.

**Outlook:** We expect tomorrow's session to trend on a calm note.

### FGN Bonds

The FGN local bonds market observed a bullish theme with significant buying noticed across select maturities (2032, 2033, 2037, 2038 and 2053s). However, offers trended upwards by close of market due to profit taking, as more sellers resurfaced with improved liquidity on these papers. Overall, the average mid-yield fell by 18bps to 14.40%.

**Outlook:** We expect tomorrow's session to be mixed.

### Eurobonds

Given the cautionary tone of the Fed's minutes released yesterday, the Eurobonds market traded softly today, with mixed sentiments. The session started with slight buyside interests, although, sellers pared back some earlier gains before the end of the session. Consequently, the Nigerian curve witnessed average mid-yield increased by 6bps to settle at 10.11%.

**Outlook:** We expect the US Job data to impact market session tomorrow. As of writing, market expect 170k Jobs added in December, from 199k seen in the preceding month.

Date	Sys. Liq. (₦bn)	Diff.
4-Jan-24	132.79	↓(105.11)
3-Jan-24	237.90	

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)	33.02 (-10.96% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.17 (-0.10% d/d)

Source: NBS,CBN, AiCO Capital

Benchmark T-Bills Discount Rates			
	04-Jan-24	03-Jan-24	Change in Rates
63 days	2.91%	2.91%	(0.00%)
154 days	5.43%	5.43%	(0.00%)
308 days	10.21%	10.21%	(0.00%)

Source: FMDQ DQL for 04 January 2024

Benchmark FGN Bond Yields			
	04-Jan-24	03-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	14.05%	14.20%	+0.15%
20 yrs: 13.00% 21-Jan-2042	15.30%	15.30%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.81%	15.81%	(0.00%)

Source: FMDQ DQL for 04 January 2024

Benchmark FGN Eurobond Yields			
	04-Jan-24	03-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.89%	9.55%	(0.34%)
10 yrs: NGERIA 7.875 02/16/32	10.20%	10.20%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	10.49%	10.49%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	10.64%	10.63%	(0.01%)
7.125% ECOTRAN 16/02/26	10.08%	10.21%	+0.13%

Source: FBN UK Runs for 04 January 2024

## Nigerian Equities

The Nigerian Equity market ticked up further, but at a slower pace due to the pullback on some tickers. As a result, the ASI appreciated by 0.62%, settling at 78, 020.54 points, while YTD return settled at 4.34%, with total market capitalization at ₦42.69 trillion. Trading activity was positive, as total volume increased by 6.11%, while total value traded increased by 4.40%.

FCMB led the total volume chart with 106.81 million units, while FIDELITYBK topped the value chart with ₦1.31 billion. The Banking and Consumer Goods Indices gained 0.13% and 0.55%, while the Oil & Gas Index gained 0.73%. The Industrial Index closed flat.

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

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 9.43% (or ₦93.23) to \$/₦895.23 from \$/₦988.46 recorded yesterday.

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

## Commodities

Oil prices rose today, extending the previous day's sharp gains on concerns about Middle Eastern supply following disruptions at a field in Libya and heightened tension around the Israel-Gaza war. Brent crude was reported at \$77.80 per barrel, and West Texas Intermediate (WTI) at \$72.32 per barrel, as at printing time. Gold prices increased to \$2,052.60 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
WEMABANK	6.71	0.61	↑	10.00%
LEARNAFRCA	3.19	0.29	↑	10.00%
TRANSCORP	11.51	1.04	↑	9.93%
IKEJAHOTEL	7.98	0.72	↑	9.92%
STERLINGNG	5.25	0.47	↑	9.83%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
MULTIVERSE	20.22	-2.24	↓	-9.97%
MEYER	3.24	-0.35	↓	-9.75%
TRIPPLEG	1.95	-0.20	↓	-9.30%
JOHNHOLT	2.12	-0.20	↓	-8.62%
ABCTRANS	0.89	-0.08	↓	-8.25%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.62%	↑ 4.72%	↑ 4.34%	↑ 4.34%
NSE Banking Index	↑ 0.13%	↑ 7.64%	↑ 6.44%	↑ 6.44%
NSE Insurance Index	↑ 2.62%	↑ 12.40%	↑ 9.29%	↑ 9.29%
NSE Industrial Goods Index	↓ 0.00%	↑ 2.47%	↑ 2.45%	↑ 2.45%
NSE Consumer Goods Index	↑ 0.55%	↑ 1.88%	↑ 3.35%	↑ 3.35%
NSE Oil & Gas Index	↑ 0.73%	↑ 3.11%	↑ 3.00%	↑ 3.00%

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