

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity plummeted by 66.89% to ₦269.08 billion from yesterday's ₦812.76 billion. Despite this decline, the Open Repo Rate (OPR) and Overnight Rate (O/N) both saw reductions, dropping by 242bps to 4.63% and 150bps to 7.00%, respectively.

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

Treasury Bills

The treasury bills market experienced robust demand from banks and select non-bank participants eager to invest excess liquidity in available papers, despite the expected supply at tomorrow's NTB auction. Bids spanned the entire curve, with longer-dated papers trading at approximately 6.40% - 6.60%. Consequently, the average mid-rate decreased significantly by about c.113bps, settling at 4.64%.

Outlook: We expect the market to tilt their focus to tomorrow's NTB auction, as the DMO will be offering a total of ₦56.56 billion worth of treasury bills.

FGN Bonds

The FGN local bonds market sustained its bullish momentum, driven by consistent demand for 2033, 2037, 2038, 2042, 2050, and 2053 maturities. Consequently, the average mid-yield decreased by approximately 11bps, reaching a settlement at 13.96%.

Outlook: We expect tomorrow's session to stay bullish, pending any major surprises.

Eurobonds

The Eurobonds market posted a mixed sentiment today, partly due to some investors looking to cherry-pick maturities at attractive levels, with existing selling interests. Consequently, the Nigerian curve witnessed average mid-yield declined by 4bps to settle at 10.16%.

Outlook: We expect the mixed posture to persist.

Date	Sys. Liq. (₦bn)	Diff.
9-Jan-24	269.08	↓(543.68)
8-Jan-24	812.76	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 8th January 2024)	13.7858%
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)	33.04 (-10.90% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*77.32 (+1.58% d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	09-Jan-24	08-Jan-24	Change in Rates
58 days	1.30%	2.91%	+1.61%
149 days	4.14%	4.14%	(0.00%)
303 days	5.69%	7.10%	+1.41%

Source: FMDQ DQL for 09 January 2024

Benchmark FGN Bond Yields			
	09-Jan-24	08-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.02%	13.02%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.14%	14.14%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	14.72%	14.95%	+0.23%
30 yrs: 12.98% 27-Mar-2050	15.41%	15.64%	+0.23%

Source: FMDQ DQL for 09 January 2024

Benchmark FGN Eurobond Yields			
	09-Jan-24	08-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.56%	9.60%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	10.28%	10.33%	+0.05%
15 yrs: NGERIA 7.696 23/02/38	10.55%	10.53%	(0.02%)
30 yrs: NGERIA 9.248 01/21/49	10.69%	10.77%	+0.08%
7.125% ECOTRAN 16/02/26	9.81%	10.09%	+0.28%

Source: FBN UK Runs for 09 January 2024

Nigerian Equities

In today's Nigerian Equity trading session, robust buyside activity, especially in the banking index (+8.16%), fueled by ZENITHBANK (+9.99%), FCMB (+9.86%), and GTCO (+9.55%), led to a 3.56% ASI surge, closing at 83,191.84 points. Year-to-date return settled at 11.26%, with total market capitalization reaching ₦45.52 trillion. Positive trading momentum was evident with an 18.46% increase in total volume and a 61.77% rise in total value traded.

FIDELITYBK topped the volume chart with 141.75 million units, while UBA led in value at ₦3.78 billion. All indices closed positively except for the Oil & Gas Index, which declined by 2.35%. The Banking, Industrial Goods, and Consumer Goods Indices gained 8.16%, 2.53%, and 3.98%, respectively.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 27.19% (or ₦232.94) to \$/₦1,089.51 from \$/₦856.57 recorded yesterday.

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

Commodities

Oil prices rose today after sliding in the previous session as markets weighed Middle East tensions against demand worries and rising OPEC supply. Brent crude was reported at \$76.87 per barrel, and West Texas Intermediate (WTI) at \$71.53 per barrel, as at printing time. Gold prices increased to \$2,039.30 per ounce from the previous day, as of printing time.

Outlook: *We expect oil prices to hover around \$70 pb levels in the interim.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
GUINEAINS	0.44	0.04	↑	10.00%
CADBURY	18.15	1.65	↑	10.00%
FTNCOCOA	2.20	0.20	↑	10.00%
FBNH	28.60	2.60	↑	10.00%
MBENEFIT	0.77	0.07	↑	10.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
TOTAL	346.50	-38.50	↓	-10.00%
DAARCOMM	1.06	-0.11	↓	-9.40%
RTBRISCOE	0.65	-0.06	↓	-8.45%
SUNUASSUR	1.20	-0.10	↓	-7.69%
PRESTIGE	0.50	-0.04	↓	-7.41%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 3.56%	↑ 9.48%	↑ 11.26%	↑ 11.26%
NSE Banking Index	↑ 8.16%	↑ 22.36%	↑ 21.95%	↑ 21.95%
NSE Insurance Index	↑ 6.37%	↑ 27.78%	↑ 28.98%	↑ 28.98%
NSE Industrial Goods Index	↑ 2.53%	↑ 4.67%	↑ 6.91%	↑ 6.91%
NSE Consumer Goods Index	↑ 3.98%	↑ 8.31%	↑ 8.70%	↑ 8.70%
NSE Oil & Gas Index	↓ -2.35%	↑ 0.81%	↑ 1.18%	↑ 1.18%

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