

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity declined by 82.65% to ₦46.67 billion from yesterday's ₦269.08 billion. Accordingly, the Open Repo Rate (OPR) and Overnight Rate (O/N) widened by 952bps to 14.15% and 840bps to 15.40%, respectively.

Outlook: We expect the interbank rates to stay elevated in the short-term.

Treasury Bills

The treasury bills market was quiet today, as attention shifted to the NTB auction. Surprisingly, the CBN also issued OMO bills across the 97-Day (N75bn), 181-Day (N75bn) and 363-Day papers (N150bn) at 10.50% (N22bn), 14.00% (N35.20bn) and 17.75% (N300bn), respectively with a total allotment of N357.20 billion. Nevertheless, the average mid-rate remained unaltered at 4.64%.

Outlook: We expect the market sentiment to tilt to the bears in the interim.

FGN Bonds

The FGN local bonds market started on a calm note, due to the notice of OMO bills auction today. Afterwards, offers improved slightly, with sell interests, particularly at the short-dated region following the OMO Bills auction result. Consequently, the average mid-yield stayed at 13.96%.

Outlook: We expect activity to stay bearish in tomorrow's session.

Eurobonds

Today's Eurobonds market nudged further into a bullish territory, as several buyside interests revolved along the curve of African papers ahead of tomorrow's consumer price index data. Consequently, the Nigerian Eurobonds paper closed bullish as average mid-yield declined by 19bps to settle at 9.97%.

Outlook: We expect US inflation data to spark volatility in tomorrow's session. As of writing, market expect US CPI to expand by 3.20% y/y from 3.10%, and 0.20% m/m from 0.10% in November.

Date	Sys. Liq. (₦bn)	Diff.
10-Jan-24	46.67	↓(222.41)
9-Jan-24	269.08	

Source: CBN

AiICO Money Market Fund (AMMF)

(As of 9th January 2024)	13.7680%
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 (-10.91% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.18 (+1.15% d/d)

Source: NBS,CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	10-Jan-24	09-Jan-24	Change in Rates
57 days	1.30%	1.30%	(0.00%)
148 days	4.14%	4.14%	(0.00%)
302 days	5.69%	5.69%	(0.00%)

Source: FMDQ DQL for 10 January 2024

Benchmark FGN Bond Yields			
	10-Jan-24	09-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%	14.72%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.41%	15.41%	(0.00%)

Source: FMDQ DQL for 10 January 2024

Benchmark FGN Eurobond Yields			
	10-Jan-24	09-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.48%	9.56%	+0.08%
10 yrs: NGERIA 7.875 02/16/32	10.05%	10.28%	+0.23%
15 yrs: NGERIA 7.696 23/02/38	10.39%	10.55%	+0.16%
30 yrs: NGERIA 9.248 01/21/49	10.56%	10.69%	+0.13%
7.125% ECOTRAN 16/02/26	9.82%	9.81%	(0.01%)

Source: FBN UK Runs for 10 January 2024

Nigerian Equities

Nigerian Equity market eased its bullish rally with selloffs that led the ASI to fall by 1.40%, settling at 81,024.38 points, while YTD return settled at +9.70% with a total market capitalization of ₦44.89 trillion. Market was characterised by profit taking across several tickers, with sizeable selloffs observed on banking stocks, especially the tier 1 banks. Activity was positive with 16.42% increase in total volume and a 2.82% rise in total value traded.

TRANSCORP topped the volume chart with 117.64 million units, while GTCO led in value at ₦3.28 billion. The Banking and Oil & Gas Indices depreciated by 7.79%, and 0.40%, respectively, while the Industrial and Consumer Goods gained loss 1.39% and 2.45%, respectively.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.66% (or ₦7.19) to \$/₦1,082.32 from \$/₦1,089.51 recorded yesterday.

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

Commodities

Oil steadied today, giving up most of its earlier gains, as Middle East supply concerns arising from the Israel-Hamas war and the shutdown of a top Libyan oilfield balanced rising U.S. output and worries about weak economic growth. Brent crude was reported at \$78.43 per barrel, and West Texas Intermediate (WTI) at \$73.25 per barrel, as at printing time. Gold prices increased to \$2,033.30 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
CADBURY	19.95	1.80	↑	9.92%
VERITASKAP	0.45	0.04	↑	9.76%
LINKASSURE	1.50	0.12	↑	8.70%
TRANSCOHOT	100.00	6.75	↑	7.24%
PRESTIGE	0.53	0.03	↑	6.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
CONHALLPLC	1.35	-0.15	↓	-10.00%
CORNERST	1.80	-0.20	↓	-10.00%
FTNCOCOA	1.98	-0.22	↓	-10.00%
CAVERTON	2.07	-0.23	↓	-10.00%
CHAMS	2.16	-0.24	↓	-10.00%

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -1.40%	↑ 5.79%	↑ 9.70%	↑ 9.70%
NSE Banking Index	↓ -7.97%	↑ 5.58%	↑ 12.24%	↑ 12.24%
NSE Insurance Index	↓ -6.12%	↑ 13.70%	↑ 21.09%	↑ 21.09%
NSE Industrial Goods Index	↑ 1.39%	↑ 5.80%	↑ 8.40%	↑ 8.40%
NSE Consumer Goods Index	↑ 2.45%	↑ 8.34%	↑ 11.35%	↑ 11.35%
NSE Oil & Gas Index	↓ -0.40%	↓ -1.45%	↑ 0.77%	↑ 0.77%

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