

Daily Financial Market Update

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AICO CAPITAL

MARKET COMMENTARY

Money Market

Opening system liquidity fell short at ₦93.15 billion, from ₦229.82 billion recorded yesterday. However, the Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 518bps to 16.40% and 450bps to 17.25%, respectively.

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

Treasury Bills

The treasury bills market closed on a bearish note in today's session. To add, rates around the belly and long end of the curve improved, as offers overshadowed available bids. At the closing bell, the average mid-rate expanded by 9bps to 5.94%.

Outlook: We expect a similar occurrence tomorrow.

FGN Bonds

The FGN local bonds market also witnessed a bearish theme, with selling interest observed across the belly and long end of the curve. Thus, the average mid-yield increased by 4bps to close at 14.29%.

Outlook: We expect the current sentiment to persist.

Eurobonds

The Eurobonds market sailed downwards with selloffs across the curve, as investors cautiously assess all inflation-linked data points ahead of the next monetary policy meeting. Both the SSA and MENA region were engulfed with bearish momentum in today's session. Consequently, average mid-yield increased by 18bps to settle at 9.78%.

Outlook: We expect the US retail sales data, and Fed speakers to provide more insight into the Fed's thinking around rate cut.

Date	Sys. Liq. (₦bn)	Diff.
16-Jan-24	-93.15	↓(322.97)
15-Jan-24	229.82	

Source: CBN

AiCO Money Market Fund (AMMF)

(As of 15th January 2024)	13.4377%
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)	33.11 (-10.70% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.02 (-0.17% d/d)

Source: NBS, CBN, AiCO Capital

Benchmark T-Bills Discount Rates			
	16-Jan-24	15-Jan-24	Change in Rates
86 days	2.06%	2.06%	(0.00%)
177 days	3.22%	3.22%	(0.00%)
296 days	4.73%	4.73%	(0.00%)

Source: FMDQ DQL for 15 January 2024

Benchmark FGN Bond Yields			
	16-Jan-24	15-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.72%	12.72%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	13.48%	13.48%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	14.90%	14.90%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.15%	15.15%	(0.00%)

Source: FMDQ DQL for 15 January 2024

Benchmark FGN Eurobond Yields			
	16-Jan-24	15-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.08%	8.91%	(0.17%)
10 yrs: NGERIA 7.875 02/16/32	9.88%	9.69%	(0.19%)
15 yrs: NGERIA 7.696 23/02/38	10.27%	10.10%	(0.17%)
30 yrs: NGERIA 9.248 01/21/49	10.50%	10.33%	(0.17%)
7.125% ECOTRAN 16/02/26	9.28%	9.35%	+0.07%

Source: FBN UK Runs for 15 January 2024

Nigerian Equities

The Nigerian bourse maintained a bullish momentum in today's trading, with significant demands for tickers in the banking and industrial goods sectors, particularly DANGSUGAR (+10.00%), NASCON (+10.00%), NB (+10.00%) and UBA (+7.95%). As a result, ASI appreciated by 3.93%, to settle at 87,971.09 points, while YTD return settled at +17.65% with a total market capitalization of ₦48.14 trillion. Activity was positive with 34.82% increase in total volume and a 45.46% increase in total value traded.

JAIZBANK topped the volume chart with 150.64 million units, while NASCON led in value at ₦2.57 billion. The Banking and Oil & Gas Indices appreciated by 4.35%, and 0.11%, respectively, while the Industrial and Consumer Goods gained 9.72% and 2.97%, respectively

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 4.72% (or ₦39.62) to \$/₦878.57 from \$/₦838.95 recorded yesterday.

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

Commodities

Oil prices declined today, as investors monitored the impact of tensions in the Middle East. Brent crude was reported at \$77.65 per barrel, and West Texas Intermediate (WTI) at \$71.75 per barrel, as at printing time. Gold prices increased to \$2,042.70 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
DANGSUGAR	81.40	7.40	↑	10.00%
WAPCO	47.30	4.30	↑	10.00%
STERLINGNG	7.59	0.69	↑	10.00%
FTNCOCOA	2.20	0.20	↑	10.00%
NB	41.25	3.75	↑	10.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
ROYALEX	0.90	-0.08	↓	-8.16%
MULTIVERSE	17.00	-1.20	↓	-6.59%
ELLAHLAKES	3.38	-0.17	↓	-4.79%
OANDO	12.05	-0.45	↓	-3.60%
UACN	15.50	-0.50	↓	-3.13%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 3.93%	↑ 5.74%	↑ 17.65%	↑ 17.65%
NSE Banking Index	↑ 4.35%	↑ 0.49%	↑ 22.54%	↑ 22.54%
NSE Insurance Index	↑ 5.80%	↑ 8.00%	↑ 39.30%	↑ 39.30%
NSE Industrial Goods Index	↑ 9.72%	↑ 16.31%	↑ 24.35%	↑ 24.35%
NSE Consumer Goods Index	↑ 2.97%	↑ 10.32%	↑ 19.92%	↑ 19.92%
NSE Oil & Gas Index	↑ 0.11%	↑ 0.34%	↑ 1.53%	↑ 1.53%

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