

Daily Financial Market Update

AICO CAPITAL
www.aiocapital.com f t in @ /aioicapitalng

MARKET COMMENTARY

Money Market

System liquidity slipped into the negative territory as it opened at -₦24.78 billion, compared with c.₦206.85 billion recorded yesterday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) expanded by 227bps to 18.67% and 217bps to 19.42%, respectively.

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

Treasury Bills

The treasury bills market trended on a mixed-to-bearish trajectory. During the session, bids were concentrated at the long end of the curve, including OMO papers. Nonetheless, offers were more pronounced, thus impacting the average mid-rate to increase by 193bps to 7.78%.

Outlook: We expect the mixed to bearish bias to persist tomorrow.

FGN Bonds

Activity in the FGN local bonds trended mixed, with most interests noticed on the 2050 and 2053 papers. At the closing bell, market settled on a bullish note, as the average mid-yield declined by 12bps to close at 14.17%.

Outlook: We expect players to continue to show interest for high yield papers.

Eurobonds

The Eurobonds market observed a bearish theme, on account of the mixed signals in the US market and less than expected performance of China's GDP. The US retails sales in December 2023 was reported at 0.60% m/m, higher than 0.4% estimate and 0.30% in November. Amongst the African peers, Ghana's curve was an outlier, with rising hopes for Eurobonds investors after the country secured a debt moratorium until 2026 from official creditors. Overall, the average mid-yield in the Nigerian curve increased by 28bps to settle at 10.06%.

Outlook: We expect the bearish sentiment to linger, albeit, at a slow pace.

Date	Sys. Liq. (₦bn)	Diff.
17-Jan-24	-24.77	↑ 68.39
16-Jan-24	-93.15	

Source: CBN

AiICO 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)	33.19 (-10.50% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*77.08 (-1.55% d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	17-Jan-24	16-Jan-24	Change in Rates
85 days	2.06%	2.06%	(0.00%)
176 days	3.22%	3.22%	(0.00%)
295 days	4.73%	4.73%	(0.00%)

Source: FMDQ DQL for 17 January 2024

Benchmark FGN Bond Yields			
	17-Jan-24	16-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	13.81%	13.48%	(0.33%)
20 yrs: 13.00% 21-Jan-2042	14.90%	14.90%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.10%	15.15%	+0.05%

Source: FMDQ DQL for 17 January 2024

Benchmark FGN Eurobond Yields			
	17-Jan-24	16-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.41%	9.08%	(0.33%)
10 yrs: NGERIA 7.875 02/16/32	10.16%	9.88%	(0.28%)
15 yrs: NGERIA 7.696 23/02/38	10.51%	10.27%	(0.24%)
30 yrs: NGERIA 9.248 01/21/49	10.69%	10.50%	(0.19%)
7.125% ECOTRAN 16/02/26	9.42%	9.28%	(0.14%)

Source: FBN UK Runs for 17 January 2024

Nigerian Equities

Despite the profit taking activity witnessed in the banking index, the Nigerian bourse maintained a bullish bias in today's trading, with an outstanding 2.38% appreciation in ASI, crossing 90,000 points to settle at 90,063.25 points. WEMA (+10.00%), BUACEMENT (+9.99%), TRANSCORP (+9.97%) amongst other top tickers topped the frontline advancers. Thus, the YTD return settled higher at +20.45% with a total market capitalization of ₦49.28 trillion. Activity was positive with 19.25% increase in total volume and a 2.08% increase in total value traded.

STERLING topped the volume chart with 106.14 million units, while NB led in value at ₦2.02 billion. The Industrial, Consumer and Oil & Gas Indices appreciated by 8.76%, 1.92% and 0.45%, respectively, while the banking index lost 3.26%.

Outlook: We expect a slight bearish sentiment tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 5.99% (or ₦52.66) to \$/₦931.23 from \$/₦878.57 recorded yesterday.

Outlook: The rate to hover around 800-1000 levels.

Commodities

China's lower-than-expected GDP growth rate sprinkled bearish sentiment in the oil market, as it raised concerns about future demand, while U.S. dollar strength dented investor's risk appetite. Brent crude was reported at \$77.05 per barrel, and West Texas Intermediate (WTI) at \$71.43 per barrel, as at printing time. Gold prices increased to \$2,011.60 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
AIICO	1.54	0.14	↑	10.00%
WEMABANK	11.66	1.06	↑	10.00%
HONYFLOUR	4.84	0.44	↑	10.00%
GUINNESS	71.50	6.50	↑	10.00%
SUNUASSUR	1.76	0.16	↑	10.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
RTBRISCOE	0.81	-0.09	↓	-10.00%
DANGSUGAR	73.30	-8.10	↓	-9.95%
NGXGROUP	22.90	-2.50	↓	-9.84%
REDSTAREX	4.11	-0.43	↓	-9.47%
STERLINGNG	6.90	-0.69	↓	-9.09%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 2.38%	↑ 9.80%	↑ 20.45%	↑ 20.45%
NSE Banking Index	↓ -3.26%	↑ 5.62%	↑ 18.55%	↑ 18.55%
NSE Insurance Index	↑ 3.63%	↑ 19.22%	↑ 44.36%	↑ 44.36%
NSE Industrial Goods Index	↑ 8.76%	↑ 24.75%	↑ 35.23%	↑ 35.23%
NSE Consumer Goods Index	↑ 1.92%	↑ 9.76%	↑ 22.22%	↑ 22.22%
NSE Oil & Gas Index	↑ 0.45%	↑ 1.20%	↑ 1.98%	↑ 1.98%

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.