

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity improved today to a positive balance at ₦44.52 billion long, compared with -c.₦24.78 billion recorded yesterday. Nevertheless, the Open Repo Rate (OPR) and Overnight Rate (O/N) increased by 53bps to 19.20% and 83bps to 20.25%, respectively.

Outlook: We expect rates to close at similar levels tomorrow.

Treasury Bills

The treasury bills market extended its bargain hunting today, especially for the long-dated maturities, coupled with noticeable interest in OMO papers. Overall, the market witnessed a bullish theme, as the average mid-rate declined by 83bps to 6.94%.

Outlook: We expect a mixed play tomorrow, as investors also anticipate next week's NTB auction.

FGN Bonds

The FGN local bonds market was stirred mixed, with persistent activity on the 2037, 2038, 2050 and 2053 papers. At the end of the trading session, market settled on a relatively bearish note, as the average mid-yield nudged higher by c.2bps to close at 14.19%.

Outlook: We expect the mixed sentiment to persist.

Eurobonds

The Eurobonds market traded bullish in today's session, as investors waded through the deluge of rate cut expectation and unfolding economic indicators. The SSA papers maintained a bullish theme throughout the session, while North African region started off bearish but partly tilted towards bullish before the closing bell. In the SSA region, the International Monetary Fund agreed to immediately disburse \$684.7 million to Kenya, boosting the country's external reserve before a critical Eurobonds repayment due in June. Overall, the average mid-yield in the Nigerian curve fell by 16bps to settle at 9.90%.

Outlook: We expect the market to continue to adjust to the US economic indicators and updated consensus expectation on rate cut.

Date	Sys. Liq. (₦bn)	Diff.
18-Jan-24	44.52	↑ 69.29
17-Jan-24	-24.77	

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)	33.20 (-10.48% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*77.60 (-0.37% d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	18-Jan-24	17-Jan-24	Change in Rates
84 days	2.07%	2.06%	(0.01%)
175 days	3.27%	3.22%	(0.05%)
294 days	4.73%	4.73%	(0.00%)

Source: FMDQ DQL for 18 January 2024

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

Source: FMDQ DQL for 18 January 2024

Benchmark FGN Eurobond Yields			
	18-Jan-24	17-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.25%	9.41%	+0.16%
10 yrs: NGERIA 7.875 02/16/32	10.01%	10.16%	+0.15%
15 yrs: NGERIA 7.696 23/02/38	10.38%	10.51%	+0.13%
30 yrs: NGERIA 9.248 01/21/49	10.50%	10.69%	+0.19%
7.125% ECOTRAN 16/02/26	9.29%	9.42%	+0.13%

Source: FBN UK Runs for 18 January 2024

Nigerian Equities

The Nigerian bourse settled on a positive note, after a mixed session today. The ASI appreciated by 2.04% to 91,896.97 points, with most buyside interests settling for TRANSCORP (+9.46%) and BUACEMENT (+8.96%). Thus, the YTD return settled higher at +22.90% while the total market capitalization hit ₦50.29 trillion. Activity was positive with 19.25% increase in total volume and a 2.08% increase in total value traded.

TRANSCORP topped both the volume and value chart with 156.62 million units and ₦2.96 billion, respectively. The Industrial, Consumer and Oil & Gas Indices appreciated by 7.83%, 0.87% and 2.69%, respectively, while the banking index lost 1.89%.

Outlook: *We expect a slight bearish sentiment tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 3.13% (or ₦29.15) to \$/₦902.08 from \$/₦931.23 recorded yesterday.

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

Commodities

Oil prices rose today as the IEA joined producer group OPEC in forecasting relatively strong growth in global oil demand this year, with price impetus also coming from disruption to U.S. output and geopolitical risks in the Middle East. Brent crude was reported at \$78.04 per barrel, and West Texas Intermediate (WTI) at \$72.92 per barrel, as at printing time. Gold prices increased to \$2,014.20 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
ETERNA	20.90	1.90	↑	10.00%
NEM	8.25	0.75	↑	10.00%
UNITYBNK	3.30	0.30	↑	10.00%
CONOIL	112.20	10.20	↑	10.00%
JOHNHOLT	2.53	0.23	↑	10.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
IKEJAHOTEL	8.11	-0.88	↓	-9.79%
ROYALEX	0.83	-0.09	↓	-9.78%
MBENEFIT	0.85	-0.09	↓	-9.57%
LINKASSURE	1.35	-0.14	↓	-9.40%
JAPAULGOLD	2.43	-0.25	↓	-9.33%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 2.04%	↑ 11.26%	↑ 22.90%	↑ 22.90%
NSE Banking Index	↓ -1.89%	↑ 0.88%	↑ 16.31%	↑ 16.31%
NSE Insurance Index	↓ -2.11%	↑ 16.11%	↑ 41.31%	↑ 41.31%
NSE Industrial Goods Index	↑ 7.83%	↑ 34.23%	↑ 45.82%	↑ 45.82%
NSE Consumer Goods Index	↑ 0.87%	↑ 10.28%	↑ 23.28%	↑ 23.28%
NSE Oil & Gas Index	↑ 2.69%	↑ 3.53%	↑ 4.72%	↑ 4.72%

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