

Daily Financial Market Update

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

MARKET COMMENTARY

Money Market

Opening system liquidity stayed negative today at ₦131.62 billion, from -c.₦527.96 billion recorded last Friday. Nevertheless, the Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 215bps to 19.95% and 225bps to 21.00%, respectively.

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

Treasury Bills

The treasury bills market was quiet, albeit with a slightly bullish undertone, as few cares were witnessed on select short and long-dated papers. Overall, the average mid-rate stayed unchanged at 6.94%.

Outlook: We expect the market to trade cautiously ahead of the bi-weekly NTB auction.

FGN Bonds

In today's session, the DMO released January 2024 bond offer circular, which revealed a total offer of ₦360.00 billion (₦90.00 billion each) from the re-issuance of the 2027, 2029, 2033 and 2038 papers. In effect, this meant that the 2053 paper has been retired while the 2027 paper becomes the shortest dated auction paper, relative to the previous auction. Market responded with a mixed trend, with buyside interests at the tail end of the curve, particularly the 2042, 2049, 2050 and 2053 maturities and selling interests around the medium and short-dated papers. At the closing bell, market settled on a relatively bearish note, as the average mid-yield increased by c.2bps to close at 14.23%.

Outlook: We expect the mixed sentiment to persist.

Eurobonds

The Eurobonds market traded moderately bullish in today's session, as positive sentiment mildly drove activity on the African curve. As a result, the average mid-yield in the Nigerian curve fell by 8bps to settle at 9.79%.

Outlook: We expect activity to thin out tomorrow, in the absence of any major jitter.

Date	Sys. Liq. (₦bn)	Diff.
22-Jan-24	-131.62	↑ 396.34
19-Jan-24	-527.96	

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)	33.25 (-10.34% 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			
	22-Jan-24	19-Jan-24	Change in Rates
80 days	2.06%	2.06%	(0.00%)
171 days	3.22%	3.22%	(0.00%)
276 days	4.73%	4.73%	(0.00%)

Source: FMDQ DQL for 22 January 2024

Benchmark FGN Bond Yields			
	22-Jan-24	19-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.50%	12.72%	(0.78%)
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	14.85%	15.15%	+0.30%

Source: FMDQ DQL for 22 January 2024

Benchmark FGN Eurobond Yields			
	22-Jan-24	19-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.09%	9.13%	+0.04%
10 yrs: NGERIA 7.875 02/16/32	9.86%	9.96%	+0.10%
15 yrs: NGERIA 7.696 23/02/38	10.30%	10.38%	+0.08%
30 yrs: NGERIA 9.248 01/21/49	10.47%	10.53%	+0.06%
7.125% ECOTRAN 16/02/26	9.30%	9.29%	(0.01%)

Source: FBN UK Runs for 22 January 2024

Nigerian Equities

The Nigerian bourse traded sideways but closed bullish in today's session, as the ASI appreciated by 1.30% to 95,768.12 points, with most buyside interests settling for the industrial sector, particularly DANGCEM (+9.99%). Thus, the YTD return settled higher at +28.08% while the total market capitalization jumped to ₦52.41 trillion. Activity was negative with 14.53% decline in total volume and a 4.23% decrease in total value traded.

TRANSCORP topped the volume charts with 66.52 million units while NESTLE topped the value chart with ₦1.97 billion. The Oil & Gas and Industrial Indices appreciated by 0.55%, and 5.15%, respectively, while the banking and consumer goods indices fell by 0.90% and 1.48%, respectively.

Outlook: *We expect similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 2.54% (or ₦22.89) to \$/₦925.34 from \$/₦902.45 recorded last Friday.

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

Commodities

Oil prices rose today after Ukraine reportedly attacked a major Russia fuel terminal over the weekend, raising renewed concerns about supply disruptions. Brent crude was reported at \$79.55 per barrel, and West Texas Intermediate (WTI) at \$74.73 per barrel, as at printing time. Gold slides on trimmed U.S. rate cut bets, touch \$2,025.00 per ounce 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
SUNUASSUR	1.98	0.18	↑	10.00%
DANGCEM	592.60	53.80	↑	9.99%
TRIPPLEG	2.35	0.21	↑	9.81%
ETERNA	25.20	2.25	↑	9.80%
CUTIX	2.94	0.24	↑	8.89%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
MCNICHOLS	1.62	-0.18	↓	-10.00%
UPL	3.60	-0.40	↓	-10.00%
FLOURMILL	42.30	-4.70	↓	-10.00%
SOVRENINS	0.54	-0.06	↓	-10.00%
CADBURY	26.10	-2.90	↓	-10.00%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.30%	↑ 13.15%	↑ 28.08%	↑ 28.08%
NSE Banking Index	↓ -0.90%	↓ -2.29%	↑ 14.74%	↑ 14.74%
NSE Insurance Index	↓ -2.53%	↑ 4.47%	↑ 37.55%	↑ 37.55%
NSE Industrial Goods Index	↑ 5.15%	↑ 47.93%	↑ 67.65%	↑ 67.65%
NSE Consumer Goods Index	↓ -1.48%	↑ 4.71%	↑ 21.95%	↑ 21.95%
NSE Oil & Gas Index	↑ 0.55%	↑ 9.33%	↑ 10.88%	↑ 10.88%

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.