

# Daily Financial Market Update

**AICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

System liquidity started the day with a shortfall of ₦338.34 billion, an increase from the previous day's deficit of c.₦131.62 billion. Despite the heightened liquidity challenge, both the Open Repo Rate (OPR) and Overnight Rate (O/N) experienced a decline. The Open Repo Rate decreased by 16bps to reach 19.79%, while the Overnight Rate decreased by 15bps, settling at 20.85%.

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

### Treasury Bills

The treasury bills market traded bearish today, with offers noticed around the belly and long end of the curve, as market positioned for tomorrow's auction. Overall, the average mid-rate stayed unchanged at 6.94%.

**Outlook:** We expect activity to be hinged on the result of NTB auction tomorrow, as the DMO intends to sell ₦231.82 billion worth of treasury bills.

### FGN Bonds

The FGN local bonds market closed bearish, as the average mid-yield ticked up by 21bps to settle at 14.44%. During the session, selling interest was mostly pronounced across 2025s, 2027s, 2038s and 2053s, despite some cherry-picking activity.

**Outlook:** We expect the mixed sentiment to persist.

### Eurobonds

The Eurobonds market started off relatively quiet, although tilted to the bears at mid-day through the end of the session. Both the SSA and North African curves witnessed similar trajectory. As a result, the average mid-yield in the Nigerian curve widened by 24bps to settle at 10.03%.

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

Date	Sys. Liq. (₦bn)	Diff.
23-Jan-24	-338.34	↓(206.72)
22-Jan-24	-131.62	

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)	33.27 (-10.26% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*79.76 (-0.37% d/d)

Source: NBS, CBN, AiCO Capital

Benchmark T-Bills Discount Rates			
	23-Jan-24	22-Jan-24	Change in Rates
79 days	2.06%	2.06%	(0.00%)
170 days	3.22%	3.22%	(0.00%)
275 days	4.55%	4.73%	+0.18%

Source: FMDQ DQL for 23 January 2024

Benchmark FGN Bond Yields			
	23-Jan-24	22-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.50%	13.50%	(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	14.85%	14.85%	(0.00%)

Source: FMDQ DQL for 23 January 2024

Benchmark FGN Eurobond Yields			
	23-Jan-24	22-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.38%	9.09%	(0.29%)
10 yrs: NGERIA 7.875 02/16/32	10.16%	9.86%	(0.30%)
15 yrs: NGERIA 7.696 23/02/38	10.56%	10.30%	(0.26%)
30 yrs: NGERIA 9.248 01/21/49	10.64%	10.47%	(0.17%)
7.125% ECOTRAN 16/02/26	9.30%	9.30%	(0.00%)

Source: FBN UK Runs for 23 January 2024

## Nigerian Equities

The Nigerian equity market sustained its bullish trend, marked by robust bargain hunting in the oil & gas and industrial sectors, offsetting profit-taking in banking stocks. The All-Share Index (ASI) rose by 2.97% to 98,616.97 points, resulting in a year-to-date return of 31.89% and a total market capitalization of ₦53.97 trillion. Leading the bullish charge were BUACEMENT (+10.00%), SEPLAT (+10.00%), and DANGCEM (+9.99%).

Trading activity displayed positivity, with a 3.56% uptick in total volume and a 12.97% rise in total value. Noteworthy were TRANSCORP's 77.71 million units in volume and DANGCEM's ₦3.11 billion in value. While the Consumer Goods, Oil & Gas, and Industrial Indices saw gains of 1.88%, 5.56%, and 8.96%, respectively, the banking and consumer goods indices incurred losses of 2.66%.

**Outlook:** *We expect similar momentum tomorrow.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 5.05% (or ₦46.73) to \$/₦878.61 from \$/₦925.34 recorded yesterday.

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

## Commodities

Oil prices fell today as investors monitored the war in Ukraine, the conflict in the Middle East and the restart of production at a major oilfield in Libya. Brent crude was reported at \$79.97 per barrel, and West Texas Intermediate (WTI) at \$74.81 per barrel, as at printing time. Gold slides on trimmed U.S. rate cut bets, touch \$2,024.90 per ounce as of printing time.

**Outlook:** *We expect volatility in the oil market to persist.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
BUACEMENT	163.35	14.85	↑	10.00%
SEPLAT	2795.10	254.10	↑	10.00%
DANGCEM	651.80	59.20	↑	9.99%
ETERNA	27.70	2.50	↑	9.92%
MEYER	3.56	0.32	↑	9.88%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
MAYBAKER	7.38	-0.82	↓	-10.00%
DEAPCAP	0.81	-0.09	↓	-10.00%
JOHNHOLT	2.70	-0.30	↓	-10.00%
MBENEFIT	0.72	-0.08	↓	-10.00%
TIP	2.52	-0.28	↓	-10.00%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 2.97%	↑ 12.10%	↑ 31.89%	↑ 31.89%
NSE Banking Index	↓ -2.66%	↓ -8.86%	↑ 11.69%	↑ 11.69%
NSE Insurance Index	↓ -4.68%	↓ -5.88%	↑ 31.12%	↑ 31.12%
NSE Industrial Goods Index	↑ 8.96%	↑ 46.91%	↑ 82.68%	↑ 82.68%
NSE Consumer Goods Index	↑ 1.88%	↑ 3.61%	↑ 24.24%	↑ 24.24%
NSE Oil & Gas Index	↑ 5.56%	↑ 15.29%	↑ 17.05%	↑ 17.05%

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