

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity retained its negative standing at ₦29.82 billion short, down from the previous day's ₦338.34 billion deficit. Consequently, positive movements were observed in the rates, with the Open Repo Rate dropping by 99 bps to 18.80%, and the Overnight Rate decreasing by 90 bps to 19.95%.

Outlook: We expect rates to stay elevated tomorrow, pending the influx of FAAC credit.

Treasury Bills

The treasury bills market witnessed subdued activity today, as market participants directed their attention towards the NTB primary market auction. Thus, the average mid-rate remained relatively unchanged to close at 6.94%.

Outlook: We expect unmet bids to trickle into the secondary market tomorrow.

FGN Bonds

The FGN local bonds market observed a bearish tone earlier in the day, though activity was subdued. The market saw more sellers but limited corresponding bids. However, following the release of the NTB auction results, a modest resurgence in bids occurred. As a result, the average mid-yield experienced a decline of c.15 bps, settling at 14.29%.

Outlook: We expect a similar occurrence in tomorrow's trading session.

Eurobonds

The Eurobonds market posted some gains today, as market geared up for tomorrow's US Q4 GDP and PCE Price Index readings later in the week. In addition, the S&P's Flash services and manufacturing PMI for US printed higher at 50.30 and 52.90 points from 47.9 pts and 51.4 pts, respectively. At the closing bell, the average mid-yield in the Nigerian curve declined by 2bps to settle at 10.01%.

Outlook: Tomorrow's activity should be partly driven by US economic data, including first GDP print for Q4'2023 and Initial Jobless claims. Market currently expects the US Q4 GDP growth rate to print at 2.00% from 4.90%.

Date	Sys. Liq. (₦bn)	Diff.
24-Jan-24	-29.82	↑308.52
23-Jan-24	-338.34	

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)	33.34 (-10.08% 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			
	24-Jan-24	23-Jan-24	Change in Rates
78 days	2.06%	2.06%	(0.00%)
169 days	3.22%	3.22%	(0.00%)
274 days	11.41%	4.55%	(6.86%)

Source: FMDQ DQL for 24 January 2024

Benchmark FGN Bond Yields			
	24-Jan-24	23-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	15.25%	14.85%	(0.40%)

Source: FMDQ DQL for 24 January 2024

Benchmark FGN Eurobond Yields			
	24-Jan-24	23-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.25%	9.38%	+0.13%
10 yrs: NGERIA 7.875 02/16/32	10.16%	10.16%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	10.54%	10.56%	+0.02%
30 yrs: NGERIA 9.248 01/21/49	10.63%	10.64%	+0.01%
7.125% ECOTRAN 16/02/26	9.30%	9.30%	(0.00%)

Source: FBN UK Runs for 24 January 2024

Nigerian Equities

The Nigerian equity market made history today, crossing over 100,000 points, after weeks of witnessing a consistent upward trajectory. For the records, the All-Share Index (ASI) gained 3.00% to 101,571.11 points, raising its year-to-date return to 35.84% (from 31.89% yesterday) and hitting a total market capitalization at ₦55.58 trillion.

Despite the market's remarkable performance, trading activity exhibited negativity, with a 34.65% decrease in total volume and a 50.62% decline in total value. TRANSCORP led both charts with 95.11 million units and ₦1.59 billion. While the Consumer Goods, Oil & Gas, and Industrial Indices posted gains of 4.07%, 0.09%, and 7.64%, respectively, the banking index experienced a 0.61% depreciation.

Outlook: *We expect similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 0.41% (or ₦3.63) to \$/₦882.24 from \$/₦878.61 recorded yesterday.

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

Commodities

Oil prices edged higher today as investors monitored U.S. stockpile data, China's economy and geopolitical tensions in the Middle East. Brent crude was reported at \$79.75 per barrel, and West Texas Intermediate (WTI) at \$74.67 per barrel, as at printing time. Gold inched lower as investors awaited a deluge of economic news in the U.S. this week for more clues on the pace and scale of the Federal Reserve's interest rate cuts. During the day, Gold Prices fell to \$2,024.70 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
WAPIC	0.88	0.08	↑	10.00%
BUACEMENT	179.65	16.30	↑	9.98%
JAPAUFGOLD	2.55	0.23	↑	9.91%
UPL	3.69	0.33	↑	9.82%
TRIPPLEG	2.83	0.25	↑	9.69%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
NEM	7.20	-0.80	↓	-10.00%
CADBURY	23.50	-2.60	↓	-9.96%
TIP	2.27	-0.25	↓	-9.92%
MAYBAKER	6.65	-0.73	↓	-9.89%
MCNICHOLS	1.46	-0.16	↓	-9.88%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 3.00%	↑ 12.78%	↑ 35.84%	↑ 35.84%
NSE Banking Index	↓ -0.61%	↓ -6.37%	↑ 11.00%	↑ 11.00%
NSE Insurance Index	↓ -1.52%	↓ -10.56%	↑ 29.12%	↑ 29.12%
NSE Industrial Goods Index	↑ 7.64%	↑ 45.40%	↑ 96.63%	↑ 96.63%
NSE Consumer Goods Index	↑ 4.07%	↑ 5.79%	↑ 29.30%	↑ 29.30%
NSE Oil & Gas Index	↑ 0.09%	↑ 14.88%	↑ 17.16%	↑ 17.16%

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