

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening system liquidity stayed short at ₦234.71 billion short, from the previous day's ₦29.82 billion deficit. Consequently, the Open Repo Rate increased by 184bps to 20.64%, and the Overnight Rate soared by 180bps to 21.75%.

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

### Treasury Bills

The bearish bias persisted in the treasury bills market today, with offers parading the belly and long end of the curve, particularly January 2025 papers. Nevertheless, the average mid-rate flattened.

**Outlook:** We expect the current trend to persist.

### FGN Bonds

The FGN local bonds market was quietly mixed, although, offers were more pronounced than bids. At the end of the session, market closed bearish, as the average mid-yield increased by 35bps to settle at 14.64%.

**Outlook:** We foresee the mixed sentiment lingering into tomorrow's session.

### Eurobonds

The Eurobonds market opened today's session on a weak note. The bearish sentiment was further supported by the stronger-than-expected US GDP growth rate at 3.30% (Est. 2.0%) from 4.90% in Q3'2024. In addition, ECB's decision to hold rate at 4.50%, without a hint on rate cut, and adding that interest rate could stay at restrictive level for as long as necessary, partly impacted the bearish trend witnessed today. Accordingly, rates in the African peers repriced upward, following the a "higher-for-longer" expectation by most players. Towards the end of the session, the bearish bias eased with some buy-side interests and the average mid-yield in the Nigerian curve declined by 10bp to settle at 9.34%.

**Outlook:** We expect the US PCE Price Index to provide more context on Fed's likely decision on monetary policy.

Date	Sys. Liq. (₦bn)	Diff.
25-Jan-24	-234.71	↓(204.89)
24-Jan-24	-29.82	

Source: CBN

### AiCO Money Market Fund (AMMF)

(As of 24th January 2024)	13.2541%
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)	33.36 (-10.05% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*\$81.47 (+1.79% d/d)

Source: NBS, CBN, AiCO Capital

Benchmark T-Bills Discount Rates			
	25-Jan-24	24-Jan-24	Change in Rates
77 days	2.07%	2.06%	(0.01%)
168 days	3.26%	3.22%	(0.04%)
273 days	12.47%	11.41%	(1.06%)

Source: FMDQ DQL for 25 January 2024

Benchmark FGN Bond Yields			
	25-Jan-24	24-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%	15.25%	(0.00%)

Source: FMDQ DQL for 25 January 2024

Benchmark FGN Eurobond Yields			
	25-Jan-24	24-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.18%	9.25%	+0.07%
10 yrs: NGERIA 7.875 02/16/32	10.09%	10.16%	+0.07%
15 yrs: NGERIA 7.696 23/02/38	10.54%	10.54%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	10.63%	10.63%	(0.00%)
7.125% ECOTRAN 16/02/26	9.30%	9.30%	(0.00%)

Source: FBN UK Runs for 25 January 2024

## Nigerian Equities

The bullish bias in Nigerian equity market eased slightly today, though the All-Share Index (ASI) still appreciated by 0.57% to 102,149.93 points, with the year-to-date return settling at 36.61% (from 35.84% yesterday) and hitting a total market capitalization at ₦55.90 trillion. Noticeably, market breath was positive at 1.18x, depicting 33 gainers and 28 decliners, with SEPLAT (+10.00%) and GEREGU (+5.39%) leading the bulls.

Trading activity was positive, with a 3.21% increase in total volume and a 28.19% increase in total value. UBA led both charts with 74.88 million units and ₦2.25 billion. The Banking, Consumer Goods and Oil & Gas Indices appreciated by 1.39%, 0.08%, and 4.91%, respectively, while the Industrial Goods Index lost 0.11%.

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

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 2.12% (or ₦18.72) to \$/₦900.96 from \$/₦882.24 recorded yesterday.

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

## Commodities

Oil rallied as demand expectations rise on strong U.S. growth, while the supply side tightened on falling crude inventories due to winter storms. Brent crude was reported at \$81.02 per barrel, and West Texas Intermediate (WTI) at \$76.06 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 \$2,018.90 per ounce as of printing time.

**Outlook:** *We expect the bullish bias to linger tomorrow.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
UNIVINSURE	0.44	0.04	↑	10.00%
SEPLAT	3074.60	279.50	↑	10.00%
AIICO	1.34	0.12	↑	9.84%
JAPAUFGOLD	2.80	0.25	↑	9.80%
MAYBAKER	7.30	0.65	↑	9.77%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
IKEJAHOTEL	7.18	-0.79	↓	-9.91%
HONYFLOUR	4.47	-0.48	↓	-9.70%
LINKASSURE	1.20	-0.11	↓	-8.40%
UPDCREIT	5.70	-0.50	↓	-8.06%
MCNICHOLS	1.35	-0.11	↓	-7.53%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.57%	↑ 11.16%	↑ 36.61%	↑ 36.61%
NSE Banking Index	↑ 1.39%	↓ -3.23%	↑ 12.55%	↑ 12.55%
NSE Insurance Index	↑ 1.95%	↓ -6.84%	↑ 31.64%	↑ 31.64%
NSE Industrial Goods Index	↓ -0.11%	↑ 34.69%	↑ 96.41%	↑ 96.41%
NSE Consumer Goods Index	↑ 0.08%	↑ 4.97%	↑ 29.41%	↑ 29.41%
NSE Oil & Gas Index	↑ 4.91%	↑ 17.37%	↑ 22.91%	↑ 22.91%

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