

# Daily Financial Market Update

**AICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

System liquidity slipped by 44.68% to ₦338.53 billion compared to ₦611.98 billion recorded last week Friday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 89bps and 106bps to 15.75%, and 16.35%, respectively.

**Outlook:** We expect Interbank rates to ease in the interim, as expected FAAC credits should further boost liquidity in the system.

### Treasury Bills

The treasury bills market traded calmly, due to players focus on today's auction. Although, some buy-side interests spilled around the short-dated papers at a less aggressive pace. As a result, the average mid-rate settled at 8.33%.

**Outlook:** We expect rates to adjust downwards in the secondary market, based on the result of today's auction.

### FGN Bonds

The FGN local bonds market was relatively bullish in today's market, as investors continued to lock in maturities at high yield levels. Moreso, buying interests were mostly seen on the 2038 and 2053 papers. Thus, the average mid-yield dipped marginally by 1bp to 14.81% at the closing bell.

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

### Eurobonds

The Eurobonds market witnessed a bullish theme across most African sovereign papers, as market players continue to trade the dovish Fed narrative. Overall, the Nigerian's curve closed lower, as average mid-yield declined by 13bps to settle at 9.47%.

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

Date	Sys. Liq. (₦bn)	Diff.
27-Dec-23	338.53	↓(273.45)
22-Dec-23	611.98	

Source: CBN

### AICO Money Market Fund (AMMF)

(As of 26th December 2023)	14.2332%
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)	32.79 (-11.57% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*80.48 (-0.75% d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	27-Dec-23	22-Dec-23	Change in Rates
71 days	5.11%	5.11%	(0.00%)
162 days	7.53%	7.53%	(0.00%)
316 days	11.43%	11.43%	(0.00%)

Source: FMDQ DQL for 27 December 2023

Benchmark FGN Bond Yields			
	27-Dec-23	22-Dec-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.05%	13.06%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.68%	14.68%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.45%	15.45%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.09%	16.09%	(0.00%)

Source: FMDQ DQL for 27 December 2023

Benchmark FGN Eurobond Yields			
	27-Dec-23	21-Dec-23*	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.88%	9.00%	+0.12%
10 yrs: NGERIA 7.875 02/16/32	9.51%	9.67%	+0.16%
15 yrs: NGERIA 7.696 23/02/38	9.96%	10.00%	+0.04%
30 yrs: NGERIA 9.248 01/21/49	10.24%	10.31%	+0.07%
7.125% ECOTRAN 16/02/26	10.05%	10.04%	(0.01%)

Source: FBN UK Runs for 27 December 2023

## Nigerian Equities

The Nigerian All-Share Index declined by 0.34%, to settle at 73,768.64 points in today's session, driven by profit taking across several tickers, including STANBIC (-6.01%), NESTLE (-2.65%) and OANDO (-1.85%). Thus, YTD performance settled at 43.94%, nudging the total market capitalization at ₦40.38 trillion. Trading activity was mixed, as total volume increased by 2.27%, while total value traded fell by 21.99%.

Further, the total volume and value traded were led by JAIZBANK with 35.38 million units and GEREGU ₦6.06 billion. The Banking and Oil & Gas Indices increased by 0.17% and 0.24%, respectively, while the Industrial and Consumer Goods Indices fell by 1.10% and 0.15%.

**Outlook:** *We expect a similar session tomorrow.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.50% (or ₦13.29) to \$/₦872.59 from \$/₦885.88 recorded last week Friday.

**Outlook:** *The volatility is expected to persist in the interim.*

## Commodities

Oil prices stabilized today after the previous day's strong gains as investors monitored Red Sea developments, with some major shippers resuming passage through the trade route despite continued attacks and broader Middle East tensions. Brent crude was reported at \$80.42 per barrel, and West Texas Intermediate (WTI) at \$74.86 per barrel, as at printing time. Gold prices increased to \$2,090.00 per ounce from the previous day, as of printing time.

**Outlook:** *We expect oil prices to remain volatile in the interim.*

Top 5 Equity Advancers					
Name (Symbol)	Closing Price	Gain(N)		% Change	
ETERNA	13.20	1.20	↑	10.00%	
MANSARD	5.19	0.47	↑	9.96%	
MULTIVERSE	15.36	1.39	↑	9.95%	
INFINITY	4.98	0.45	↑	9.93%	
IMG	11.15	1.00	↑	9.85%	

Source: NGX, AIICO Capital

Top 5 Equity Decliners					
Name (Symbol)	Closing Price	Loss(N)		% Change	
UACN	13.50	-1.50	↓	-10.00%	
DEAPCAP	0.64	-0.05	↓	-7.25%	
CAVERTON	1.70	-0.12	↓	-6.59%	
ROYALEX	0.60	-0.04	↓	-6.25%	
TANTALIZER	0.46	-0.03	↓	-6.12%	

Source: NGX, AIICO Capital

Tickers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.34%	↑ 0.51%	↑ 3.37%	↑ 43.94%
NSE Banking Index	↑ 0.17%	↑ 0.75%	↑ 18.86%	↑ 112.97%
NSE Insurance Index	↑ 3.06%	↑ 4.90%	↑ 1.20%	↑ 75.73%
NSE Industrial Goods Index	↓ -1.10%	↓ -1.13%	↓ -3.60%	↑ 11.61%
NSE Consumer Goods Index	↓ -0.15%	↓ -0.37%	↓ -0.50%	↑ 92.92%
NSE Oil & Gas Index	↑ 0.24%	↑ 0.19%	↓ -0.47%	↑ 125.25%

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