

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity was buoyed by FAAC credit today, as it rose from ₦52.97 billion negative, to ₦482.16 billion positive. Consequently, the Open Repo Rate declined by 443bps to 13.15%, and the Overnight Rate lost 403bps to 14.80%.

Outlook: We expect rates to ease in the interim.

Treasury Bills

The treasury bills market traded on a calm note today, with minimal activity at the long end of the curve. Also, the CBN auctioned ₦350.00 billion worth of OMO bills today and sold same with c.96% of the allotment on the 365-Day paper. The stop rates across the 92-Day, 176-Day and 365-Day papers were 10.00%, 13.50% and 17.00%, respectively.

Outlook: We expect market rates to retrace higher tomorrow, due to the OMO auction result and low system liquidity.

FGN Bonds

Activity in the FGN local bonds market was quiet as well, as players focused on the FGN bond action. At market close, average mid-yield increased by 4bps to settle at 14.77%.

Outlook: We anticipate an uptick in rates in tomorrow's session, considering today's bond auction result.

Eurobonds

The Eurobonds market witnessed positive sentiment across the African papers, as buy-side interest reverberated across the curve. Both the SSA and North African regions posted meaningful gains. As a result, average mid-yield on the Nigerian curve shed 18bps to settle at 9.68%.

Outlook: We expect market sentiment to trade mixed.

Date	Sys. Liq. (₦bn)	Diff.
29-Jan-24	482.16	↑ 535.14
26-Jan-24	-52.97	

Source: CBN

AiCO Money Market Fund (AMMF)

(As of 26th January 2024)	13.1093%
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	*82.66 (-1.07% d/d)

Source: NBS, CBN, AiCO Capital

Benchmark T-Bills Discount Rates			
	29-Jan-24	26-Jan-24	Change in Rates
73 days	4.87%	2.07%	(2.80%)
164 days	7.24%	3.26%	(3.98%)
283 days	11.50%	12.64%	+1.14%

Source: FMDQ DQL for 29 January 2024

Benchmark FGN Bond Yields			
	29-Jan-24	26-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.49%	13.49%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.30%	14.30%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.39%	15.39%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.25%	15.25%	(0.00%)

Source: FMDQ DQL for 29 January 2024

Benchmark FGN Eurobond Yields			
	29-Jan-24	26-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.89%	9.10%	+0.21%
10 yrs: NGERIA 7.875 02/16/32	9.86%	9.99%	+0.13%
15 yrs: NGERIA 7.696 23/02/38	10.20%	10.38%	+0.18%
30 yrs: NGERIA 9.248 01/21/49	10.28%	10.36%	+0.08%
7.125% ECOTRAN 16/02/26	8.96%	9.17%	+0.21%

Source: FBN UK Runs for 29 January 2024

Nigerian Equities

The Nigerian bourse witnessed selloffs in today's session. However, the bullish sentiment on DANGCEM (+9.93%) and OANDO (+9.96%) cushioned the market to settle on a bullish note, as the All-Share Index (ASI) still appreciated by 2.22% to 104,674.67 points, with the year-to-date return settling at 39.99% and total market capitalization getting to ₦57.28 trillion.

Trading activity was positive, with a 32.84% increase in total volume and a 193.06% increase in total value. JAPAUFGOLD led the volume charts with 83.86 million units while DANGCEM led the value chart with ₦8.58 billion. The Banking, Consumer Goods and Oil & Gas Indices lost 1.05%, 0.25%, and 0.12%, respectively, while the Industrial Goods Index gained a fantastic 6.65%.

Outlook: *We expect volatility to persist.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 51.21% (or ₦456.73) to \$/₦1,348.63 from \$/₦891.90 recorded last Friday.

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

Commodities

Oil prices fall as China property crisis overshadows Middle East violence. Brent crude was reported at \$82.51 per barrel, and West Texas Intermediate (WTI) at \$76.89 per barrel, as at printing time. Gold increased to \$2,026.60 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
OANDO	13.80	1.25	↑	9.96%
DANGCEM	763.00	68.90	↑	9.93%
TRIPPLEG	3.11	0.28	↑	9.89%
BERGER	17.35	1.55	↑	9.81%
ROYALEX	0.85	0.07	↑	8.97%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
IKEJAHOTEL	6.75	-0.75	↓	-10.00%
DAARCOMM	0.81	-0.09	↓	-10.00%
CADBURY	20.70	-2.25	↓	-9.80%
NPFMCRFBK	1.95	-0.19	↓	-8.88%
ELLAHLAKES	3.02	-0.28	↓	-8.48%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 2.22%	↑ 9.30%	↑ 39.99%	↑ 39.99%
NSE Banking Index	↓ -1.05%	↓ -1.78%	↑ 12.70%	↑ 12.70%
NSE Insurance Index	↓ -0.92%	↓ -2.50%	↑ 34.11%	↑ 34.11%
NSE Industrial Goods Index	↑ 6.65%	↑ 24.96%	↑ 109.50%	↑ 109.50%
NSE Consumer Goods Index	↓ -0.25%	↑ 6.61%	↑ 30.00%	↑ 30.00%
NSE Oil & Gas Index	↓ -0.12%	↑ 10.83%	↑ 22.88%	↑ 22.88%

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