

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Due to the settlement of the OMO auction that took place yesterday, system liquidity opened in a negative position today at - ₦22.08 billion, compared with previous day's opening figure of ₦482.16 billion. Nevertheless, the Open Repo Rate declined by 60bps to 12.55%, and the Overnight Rate lost 40bps to 14.40%.

Outlook: *We expect slight volatility in rates tomorrow.*

Treasury Bills

The treasury bills market was stirred bearish today, as rates retraced higher following yesterday's OMO auction result. Activity was mostly situated around the long end of the curve, with mixed sentiment. Overall, average mid-yield soared by c.173bps to settle at 9.09%.

Outlook: *We expect market to trade quietly tomorrow, with a bearish backdrop.*

FGN Bonds

The FGN local bonds market endured a bearish theme as well, following yesterday's OMO and FGN bond auction results. Most of the activity was skewed to 2027, 2038, 2050 and 2053 papers with sellers increasing the offer yields at intervals. As a result, average mid-yield increased by 59bps to settle at 15.19%.

Outlook: *We expect less activity with a bearish undertone, as bond auction funding should stifle buy-side interests.*

Eurobonds

The Eurobonds market reignited its bullish bias across the curve in the early hours of trading, with sustained buy-side interests on SSA and MENA papers. However, market sentiment reversed its course towards the end of the market. Thus, Nigeria's average mid-yield increased by 19bps to settle at 9.87%.

Outlook: The next hurdle for the market is the ADP employment data and the interest rate decision by the U.S Federal Reserve.

Date	Sys. Liq. (₦bn)	Diff.
30-Jan-24	-22.08	↓(504.24)
29-Jan-24	482.16	

Source: CBN

AiICO Money Market Fund (AMMF)

(As of 29th January 2024)	12.4840%
Added Benefit	Personal accident insurance cover

Macro Indicators

GDP (Q3 2023)	+2.54% (Q2: 2023 +2.51% y/y)
Inflation (December'2023)	28.92% (Nov'23: 28.20%)
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	*82.68 (+0.34% d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	30-Jan-24	29-Jan-24	Change in Rates
72 days	5.10%	4.87%	(0.23%)
163 days	8.53%	7.24%	(1.29%)
282 days	13.00%	11.50%	(1.50%)

Source: FMDQ DQL for 30 January 2024

Benchmark FGN Bond Yields			
	30-Jan-24	29-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	15.00%	13.49%	(1.51%)
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 30 January 2024

Benchmark FGN Eurobond Yields			
	30-Jan-24	29-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.14%	8.89%	(0.25%)
10 yrs: NGERIA 7.875 02/16/32	10.04%	9.86%	(0.18%)
15 yrs: NGERIA 7.696 23/02/38	10.36%	10.20%	(0.16%)
30 yrs: NGERIA 9.248 01/21/49	10.42%	10.28%	(0.14%)
7.125% ECOTRAN 16/02/26	8.97%	8.96%	(0.01%)

Source: FBN UK Runs for 30 January 2024

Nigerian Equities

The Nigerian bourse witness a sizeable profit taking across several tickers, especially ACCESSCORP (-10.00%), UBA (-9.67%) and ZENITHBANK (-7.14%). Thus, the All-Share Index (ASI) lost 1.49% to settle at 103,110.15 points, with the year-to-date return settling at 37.90% and total market capitalization of ₦56.43 trillion.

Trading activity was negative, with a 5.94% decrease in total volume and a 57.26% decrease in total value. JAPAULGOLD led the volume charts with 59.79 million units while UBA led the value chart with ₦1.23 billion. All indices closed in the red. The Banking, and Industrial Indices lost 6.73% and 0.39%, respectively, while the Consumer Goods and Oil & Gas Indices lost 2.59% and 0.58%, accordingly.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 9.93% (or ₦133.94) to \$/₦1,482.57 from \$/₦1,348.94 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices ranged today after the International Monetary Fund raised its global growth forecast for the year and as the market waited to see how the U.S. will respond to a deadly drone attack on its forces in the Middle East. Brent crude was reported at \$82.50 per barrel, and West Texas Intermediate (WTI) at \$77.26 per barrel, as at printing time. Gold increased to \$2,051.20 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
UPDC	2.00	0.15	↑	8.11%
GEREGU	517.80	22.80	↑	4.61%
WEMABANK	10.90	0.13	↑	1.21%
ELLAHLAKES	3.05	0.03	↑	0.99%
UPDCREIT	6.25	0.05	↑	0.81%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
GUINEAINS	0.54	-0.06	↓	-10.00%
LINKASSURE	1.17	-0.13	↓	-10.00%
MANSARD	5.85	-0.65	↓	-10.00%
NASCON	68.40	-7.60	↓	-10.00%
CAVERTON	1.80	-0.20	↓	-10.00%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -1.49%	↑ 4.56%	↑ 37.90%	↑ 37.90%
NSE Banking Index	↓ -6.73%	↓ -5.89%	↑ 5.11%	↑ 5.11%
NSE Insurance Index	↓ -6.44%	↓ -4.31%	↑ 25.47%	↑ 25.47%
NSE Industrial Goods Index	↓ -0.39%	↑ 14.23%	↑ 108.68%	↑ 108.68%
NSE Consumer Goods Index	↓ -2.59%	↑ 1.93%	↑ 26.64%	↑ 26.64%
NSE Oil & Gas Index	↓ -0.58%	↑ 4.38%	↑ 22.17%	↑ 22.17%

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