

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

In the absence of material inflows, opening system liquidity was reported at -₦287.27 billion, compared with previous day's opening figure of -₦320.25 billion. Nonetheless, the Open Repo Rate increased by 244bps to 21.79%, and the Overnight Rate expanded by 252bps to 22.92%.

Outlook: We expect rates to stay elevated in the mid-term.

Treasury Bills

The treasury bills market observed major selling interests across most papers, due to market liquidity crunch. As a result, the market closed bearish and average mid-yield soared by 134bps to settle at 9.99%.

Outlook: We expect the bearish bias to resurface tomorrow.

FGN Bonds

The FGN local bonds market also observed significant selling pressures, particularly across the 2029, 2038 and 2053 papers. Thus, the average mid-yield closed bearish, expanding by c.4bps to settle at 15.29%.

Outlook: We expect the bearish bias to resurface tomorrow.

Eurobonds

Activity in the Eurobonds market was volatile in today's session. The SSA bonds started the session slightly bearish, although, buyside interest offset the bears towards the close the session as market digested the "hold" stance by the U.S Federal Reserve. However, in the North African region, particularly the Egypt curve, a bullish bias was witnessed throughout today's session, majorly driven by the revised financing agreement between the IMF and Egypt from \$3bn to \$7bn or more. Overall, the Nigeria's average mid-yield declined by 23bps to settle at 9.82%.

Outlook: We expect tomorrow's performance to be largely hinged on U.S employment data.

Date	Sys. Liq. (₦bn)	Diff.
1-Feb-24	-287.27	↑ 32.98
31-Jan-24	-320.25	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 30th January 2024)	13.3041%
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)	33.35 (-10.06% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*81.38 (-1.03% d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	01-Feb-24	31-Jan-24	Change in Rates
70 days	5.10%	5.10%	(0.00%)
161 days	8.53%	8.53%	(0.00%)
280 days	13.30%	13.30%	(0.00%)

Source: FMDQ DQL for 01 February 2024

Benchmark FGN Bond Yields			
	01-Feb-24	31-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	14.86%	14.86%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.70%	14.70%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.49%	15.49%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.15%	16.15%	(0.00%)

Source: FMDQ DQL for 01 February 2024

Benchmark FGN Eurobond Yields			
	01-Feb-24	31-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.15%	9.31%	+0.16%
10 yrs: NGERIA 7.875 02/16/32	10.02%	10.21%	+0.19%
15 yrs: NGERIA 7.696 23/02/38	10.34%	10.54%	+0.20%
30 yrs: NGERIA 9.248 01/21/49	10.42%	10.56%	+0.14%
7.125% ECOTRAN 16/02/26	9.33%	9.04%	(0.29%)

Source: FBN UK Runs for 01 February 2024

Nigerian Equities

The Nigerian bourse rebounded today, after yesterday's panic sales due to CBN's circular on bank's foreign currency exposures. Hence, market digested the information today with buyside interests spilling into other sectors, in anticipation for sustained foreign currency gains for Q1'2024. At the end of trading, the All-Share Index (ASI) appreciated by 1.63% to settle at 102,802.25 points, with the year-to-date return settling at 37.48% and total market capitalization of ₦56.26 trillion.

Trading activity was mixed, with a 14.93% increase in total volume and a 45.96% decline in total value. UNIVINSURE led the volume charts with 113.76 million units while ZENITHBANK led the value chart with ₦2.76 billion. The Banking, and Industrial Indices gained 7.82% and 0.35%, respectively, while the Consumer Goods and Oil & Gas Indices lost 4.37% and 0.02%, accordingly.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 0.43% (or ₦6.31) to \$/₦1,461.90 from \$/₦1,455.59 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices edged higher today as the market digested the outcome of an OPEC committee meeting and the Federal Reserve's decision on interest rates. Brent crude was reported at \$81.34 per barrel, and West Texas Intermediate (WTI) at \$76.64 per barrel, as at printing time. Gold increased to \$2,078.70 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
CAVERTON	1.87	0.17	↑	10.00%
CHAMS	2.64	0.24	↑	10.00%
GTCO	40.70	3.70	↑	10.00%
VERITASKAP	0.66	0.06	↑	10.00%
NASCON	67.75	6.15	↑	9.98%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
DEAPCAP	0.73	-0.08	↓	-9.88%
CWG	6.85	-0.75	↓	-9.87%
RTBRISCOE	0.64	-0.07	↓	-9.86%
UPL	3.33	-0.36	↓	-9.76%
MCNICHOLS	1.44	-0.15	↓	-9.43%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.63%	↑ 0.64%	↑ 1.63%	↑ 37.48%
NSE Banking Index	↑ 7.82%	↓ -7.43%	↑ 7.82%	↑ 4.18%
NSE Insurance Index	↑ 2.18%	↓ -5.56%	↑ 2.18%	↑ 24.32%
NSE Industrial Goods Index	↑ 0.35%	↑ 6.20%	↑ 0.35%	↑ 108.59%
NSE Consumer Goods Index	↑ 4.37%	↑ 0.27%	↑ 4.37%	↑ 29.76%
NSE Oil & Gas Index	↑ 0.02%	↓ -2.38%	↑ 0.02%	↑ 19.98%

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