

Daily Financial Market Update

AICO CAPITAL
www.aiocapital.com

f t in @ /aiocapitalng

MARKET COMMENTARY

Money Market

System liquidity improved to a positive level as it opened at ₦51.76 billion long, compared with yesterday's opening balance of -₦172.43 billion. Consequently, the Open Repo Rate declined by 610bps to 16.00%, and the Overnight Rate fell by 590bps to 17.00%.

Outlook: We expect rates to remain at similar levels tomorrow.

Treasury Bills

The treasury bills market was partially active, as players showed interests at the long end of the curve, although less aggressively. As a result, the average mid-yield declined by 43bps to settle at 13.05%.

Outlook: We expect activity to be cantered around the NTB auction tomorrow.

FGN Bonds

The FGN local bonds market witnessed a mixed trend with most selling interests around the short-dated papers and buying interests at the long end of the curve. Overall, the average mid-yield increase by c.10bps to close at 16.54%.

Outlook: We expect a cautious trading activity tomorrow.

Eurobonds

The Eurobonds market endured a mixed to bullish theme, with buy-side activity witnessed across the Nigerian curve, while sideways interests were observed across Angola, Ghana, and Egypt papers. Overall, the Nigeria's average mid-yield fell by 15bps to settle at 9.79%.

Outlook: We expect the speaking engagement of members of the Federal Reserve to continue to impact the market, subject to country-specific jitters.

Date	Sys. Liq. (₦bn)	Diff.
6-Feb-24	51.76	↑224.19
5-Feb-24	-172.43	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 5th February 2024)	13.3791%
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)	33.17 (-10.55% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*79.04 (+1.35% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	06-Feb-24	05-Feb-24	Change in Rates
65 days	7.52%	6.44%	(1.08%)
156 days	11.02%	8.89%	(2.13%)
275 days	12.10%	12.10%	(0.00%)

Source: FMDQ DQL for 06 February 2024

Benchmark FGN Bond Yields			
	06-Feb-24	05-Feb-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	16.02%	15.54%	(0.48%)
10 yrs: 12.50% 27-Apr-2032	14.70%	14.70%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	17.01%	17.01%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.15%	16.15%	(0.00%)

Source: FMDQ DQL for 06 February 2024

Benchmark FGN Eurobond Yields			
	06-Feb-24	05-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.11%	9.27%	+0.16%
10 yrs: NGERIA 7.875 02/16/32	10.07%	10.19%	+0.12%
15 yrs: NGERIA 7.696 23/02/38	10.28%	10.50%	+0.22%
30 yrs: NGERIA 9.248 01/21/49	10.36%	10.48%	+0.12%
7.125% ECOTRAN 16/02/26	9.34%	9.34%	(0.00%)

Source: FBN UK Runs for 06 February 2024

Nigerian Equities

The Nigerian bourse closed bearish today, with several tickers losing to the bears. Thus, the ASI declined 1.50% to settle at 102,108.05 points while the year-to-date return declined to 36.56% and total market capitalization printed at ₦55.87 trillion.

Trading activity was negative, with a 41.28% decline in total volume and a 60.70% decline in total value. JAIZBANK led the volume chart with 90.78 million units while GTCO led the value charts with ₦1.32 billion. The Banking, and Industrial Indices declined by 2.27% and 3.79%, respectively, while the Industrial and Consumer Goods Indices lost 3.79% and 0.22%, respectively. The Oil & Gas Index closed flat.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 0.99% (or ₦14.03) to \$/₦1,433.89 from \$/₦1,419.86 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices rose today as investors weighed efforts to negotiate a truce in Gaza against a U.S. vow to take further action against militants in the Middle East. Brent crude was reported at \$78.26 per barrel, and West Texas Intermediate (WTI) at \$73.04 per barrel, as at printing time. Gold increased to \$2,050.90 per ounce as of printing time.

Outlook: *We expect geopolitical tensions to continue to weigh on crude oil prices.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
JULI	0.77	0.07	↑	10.00%
CADBURY	24.20	2.20	↑	10.00%
MEYER	5.20	0.47	↑	9.94%
DAARCOMM	0.84	0.07	↑	9.09%
CAP	25.10	1.10	↑	4.58%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
CONHALLPLC	1.53	-0.17	↓	-10.00%
BUACEMENT	166.50	-18.50	↓	-10.00%
STERLINGNG	5.86	-0.64	↓	-9.85%
UPDC	1.75	-0.19	↓	-9.79%
TIP	2.12	-0.23	↓	-9.79%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -1.50%	↓ -0.97%	↑ 0.94%	↑ 36.56%
NSE Banking Index	↓ -2.27%	↓ -1.22%	↑ 7.45%	↑ 3.82%
NSE Insurance Index	↓ -1.00%	↑ 5.19%	↑ 8.47%	↑ 31.98%
NSE Industrial Goods Index	↓ -3.79%	↓ -3.68%	↓ -3.30%	↑ 101.00%
NSE Consumer Goods Index	↓ -0.22%	↑ 3.99%	↑ 5.93%	↑ 31.69%
NSE Oil & Gas Index	→ 0.00%	↓ -1.78%	↑ 0.03%	↑ 20.00%

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.