

Daily Financial Market Update

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AICO CAPITAL

MARKET COMMENTARY

Money Market

Opening system liquidity increased by 19.51% from ₦219.82 billion yesterday to ₦262.70 billion today. Nevertheless, the Open Repo Rate increased by 23bps to 15.61%, while the Overnight Rate fell by 19bps to 16.29%.

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

Treasury Bills

Traction in the treasury bills market was relatively low today, although, with a bearish backdrop, depicting market appetite for higher rates in the interim. Although, few trades were mostly consummated on the long-dated papers. At the end of the session, market closed bearish, as average mid-yield increased by 189bps to close at 14.96%.

Outlook: We expect the bearish bias to persist.

FGN Bonds

After a quiet start in the local bonds market, activity was swerved around at mid-day. Towards the closing bell, the bearish sentiment intensified, as offers dominated, especially on the 2038, 2042 and 2053 papers. As a result, market settled on a bearish note and average mid-yield increased by c.9bps to settle at 16.56%.

Outlook: We expect market to continue to trend sideways, pending any significant catalyst, particularly the bond auction notice/calendar.

Eurobonds

In the early hours of today's session, the Eurobonds market traded with caution, with minimal activity across the curve. At the release of the hotter-than-expected U.S Consumer Price Index (CPI), market sold off, with a sharp bearish theme in the SSA and MENA region. For context, The U.S inflation increased at 3.10% y/y in January (Est. 2.90%y.y) from 3.40% in December 2023, while month-on-month inflation rate increased at 0.40%, higher than 0.30% in both the previous month and market estimate. Consequently, Nigeria's average mid-yield soared by 9bps to close at 9.73%.

Outlook: We expect the bearish trend to ease tomorrow, in the absence of surprises from the speeches of some Fed's officials tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
13-Feb-24	262.70	↑ 42.88
12-Feb-24	219.82	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 12th February 2024)	13.6900%
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)	33.12 (+0.62% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*82.20 (-0.24% d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	13-Feb-24	12-Feb-24	Change in Rates
86 days	13.96%	13.96%	(0.00%)
149 days	13.88%	13.88%	(0.00%)
296 days	16.36%	16.36%	(0.00%)

Source: FMDQ DQL for 13 February 2024

Benchmark FGN Bond Yields			
	13-Feb-24	12-Feb-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	16.02%	16.02%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	15.75%	14.70%	(1.05%)
20 yrs: 13.00% 21-Jan-2042	16.80%	16.80%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	16.15%	16.15%	(0.00%)

Source: FMDQ DQL for 13 February 2024

Benchmark FGN Eurobond Yields			
	13-Feb-24	12-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.95%	8.87%	(0.08%)
10 yrs: NGERIA 7.875 02/16/32	9.92%	9.85%	(0.07%)
15 yrs: NGERIA 7.696 23/02/38	10.30%	10.17%	(0.13%)
30 yrs: NGERIA 9.248 01/21/49	10.25%	10.19%	(0.06%)
7.125% ECOTRAN 16/02/26	9.36%	9.36%	(0.00%)

Source: FBN UK Runs for 13 February 2024

Nigerian Equities

The Nigerian equity market exhibited a bullish bias today, as ASI gained 0.18% to settle at 102, 042.32 points while the year-to-date return ticked up to c.36.47% and total market capitalization was valued at ₦55.84 trillion. To buttress, GEREGU (+6.75%) and NB (+2.63%) drove the market to close bullish.

Overall, trading activity was negative, with a 24.68% decline in total volume and a 30.31% fall in total value. UNIVINSURE led the volume chart with 42.77 million units while ZENITHBANK led the value charts with ₦1.12 billion. The Banking, and Industrial Indices declined by 0.88% and 0.07%, respectively, while the Consumer Goods and Oil & Gas Indices shed 0.60% and 0.15%, respectively.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 4.38% (or ₦64.42) to \$/₦1,534.39 from \$/₦1,469.97 recorded last Friday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices were largely flat today after the significant rally last week on escalating Middle East tensions. Brent crude reached \$81.85 per barrel, while West Texas Intermediate (WTI) stood at \$76.74 per barrel at the time of reporting. Additionally, the price of gold surged to \$2,027.00 per ounce at the same 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
HONYFLOUR	4.32	0.39	↑ 9.92%
JULI	1.11	0.10	↑ 9.90%
CORNERST	2.67	0.24	↑ 9.88%
ABCTRANS	0.90	0.08	↑ 9.76%
VERITASKAP	0.80	0.07	↑ 9.59%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
PZ	25.10	-2.75	↓ -9.87%
MORISON	2.75	-0.30	↓ -9.84%
CWG	6.05	-0.65	↓ -9.70%
ETRANZACT	6.05	-0.65	↓ -9.70%
SOVRENINS	0.47	-0.05	↓ -9.62%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.33%	↓ -0.39%	↑ 0.55%	↑ 36.02%
NSE Banking Index	↓ -1.85%	↓ -5.09%	↑ 1.98%	↓ -1.46%
NSE Insurance Index	↑ 1.13%	↑ 0.27%	↑ 8.76%	↑ 32.34%
NSE Industrial Goods Index	↓ -0.10%	↓ -0.56%	↓ -3.84%	↑ 99.88%
NSE Consumer Goods Index	↓ -0.22%	↑ 0.48%	↑ 6.44%	↑ 32.33%
NSE Oil & Gas Index	↑ 0.09%	↓ -0.16%	↓ -0.13%	↑ 19.80%

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