

Daily Financial Market Update

AICO CAPITAL
www.aicocapital.com
[f](#) [t](#) [in](#) [@](#) /aicocapitalng

MARKET COMMENTARY

Money Market

Opening system liquidity increased further by 67.37% from ₦262.70 billion yesterday to ₦439.68 billion today. Hence, the Open Repo Rate contracted by 82bps to 14.79%, while the Overnight Rate fell by 83bps to 15.46%.

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

Treasury Bills

Today's session in the treasury bills market was characterised with weak volatility, given the cautious interest amongst participants, particularly on the long-dated papers. Although, some cherry-picking activity was noticed on selected papers, especially the 06-Feb 2025. As a result, market closed bullish, as the average mid-rate declined by c.24bps to close at 14.72%.

Outlook: We expect market to exhibit a mixed-to-bearish theme in the interim.

FGN Bonds

The local bonds market traded calmly, with few sideway interests around the short- and medium-term papers. Specifically, the 2027 and 2038 papers witnessed more traction while the 2053 maturity saw mild activity. At the closing bell, market closed bearish as average mid-yield increased by c.3bps to 16.59%.

Outlook: Given the FGN bond calendar released today (see attachment), we expect the bearish trajectory to intensify with higher yields across the short to mid tenors.

Eurobonds

In the Eurobonds market, the session started lethargic, due to the absence of significant jitters. Subsequently, market posted a bearish posture, albeit, at a less aggressive pace. Consequently, Nigeria's average mid-yield soared by 8bps to close at 9.81%.

Outlook: We expect tomorrow's trend to be slightly impacted by a slew economic data scheduled for release tomorrow, including Jobless Claims, Retail Sales amongst others.

Date	Sys. Liq. (₦bn)	Diff.
14-Feb-24	439.68	↑176.99
13-Feb-24	262.70	

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	*82.44 (-0.37% d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	14-Feb-24	13-Feb-24	Change in Rates
85 days	13.96%	13.96%	(0.00%)
148 days	13.63%	13.88%	+0.25%
295 days	16.36%	16.36%	(0.00%)

Source: FMDQ DQL for 14 February 2024

Benchmark FGN Bond Yields			
	14-Feb-24	13-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%	15.75%	(0.00%)
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 14 February 2024

Benchmark FGN Eurobond Yields			
	14-Feb-24	13-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.04%	8.95%	(0.09%)
10 yrs: NGERIA 7.875 02/16/32	10.02%	9.92%	(0.10%)
15 yrs: NGERIA 7.696 23/02/38	10.34%	10.30%	(0.04%)
30 yrs: NGERIA 9.248 01/21/49	10.27%	10.25%	(0.02%)
7.125% ECOTRAN 16/02/26	9.36%	9.36%	(0.00%)

Source: FBN UK Runs for 14 February 2024

Nigerian Equities

The Nigerian equity market partly recovered previous losses today, following demands for AIRTELAFRI (+10.00%), FBNH (+9.90%), SEPLAT (+9.61%), GEREGU (+6.72%) and UBA (+4.80%). However, the selloffs in BUACEMENT (-9.91%) and FIDELITYBK (-9.65%) dwarfed the overall gains. At the end of trading, market closed bullish with 1.76% uptick in the All-Share Index (ASI), to settle at 103, 498.28 points while the year-to-date return settled at c.38.42% and total market capitalization was valued at ₦56.63 trillion.

Consequently, trading activity was positive, with +62.19% and +181.51% increase in the total volume and value traded, respectively. Further, FBNH led the volume chart with 54.61 million units while GEREGU led the value charts with ₦2.50 billion. The Banking, Consumer Goods, and Oil & Gas Index increased by 2.01% , 3.99%, and 5.34%, respectively, while the Industrial Goods Index lost 3.54%.

Outlook: We expect a similar momentum tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 3.83% (or ₦57.47) to \$/₦1,556.54 from \$/₦1,499.07 recorded last yesterday.

Outlook: We expect volatility to persist.

Commodities

Crude oil rose today as geopolitical tension heightens. Brent crude reached \$82.68 per barrel, while West Texas Intermediate (WTI) stood at \$77.71 per barrel at the time of reporting. Gold prices extended declines today, on the back of investors to pull back on bets of rate cuts by the Federal Reserve. The price of gold fell to \$2,001.70 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
AIRTELAFRI	2200.00	200.00	↑	10.00%
UNITYBNK	2.42	0.22	↑	10.00%
JULI	1.22	0.11	↑	9.91%
FBNH	27.20	2.45	↑	9.90%
MORISON	3.02	0.27	↑	9.82%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
NCR	4.32	-0.48	↓	-10.00%
THOMASWY	2.25	-0.25	↓	-10.00%
MECURE	9.72	-1.08	↓	-10.00%
MEYER	6.22	-0.69	↓	-9.99%
BUACEMENT	150.00	-16.50	↓	-9.91%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.76%	↑ 1.36%	↑ 2.32%	↑ 38.42%
NSE Banking Index	↑ 2.01%	↓ -1.77%	↑ 4.02%	↑ 0.51%
NSE Insurance Index	→ 0.00%	↑ 1.78%	↑ 8.76%	↑ 32.34%
NSE Industrial Goods Index	↓ -3.54%	↓ -3.97%	↓ -7.24%	↑ 92.81%
NSE Consumer Goods Index	↑ 3.99%	↑ 3.12%	↑ 10.68%	↑ 37.60%
NSE Oil & Gas Index	↑ 5.34%	↑ 5.16%	↑ 5.20%	↑ 26.19%

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.