

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity fell by 32.09% from ₦439.68 billion yesterday to ₦298.61 billion today. However, the Open Repo Rate contracted by 29bps to 14.50%, while the Overnight Rate fell by 35bps to 15.11%.

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

Treasury Bills

The treasury bills market was tossed sideways in today's session. The session began with buy-side interests across the curve, although, market rerouted bearish at the second half of the session. Overall, average mid-rate declined by 99bps to close at 13.73%.

Outlook: We expect market activity to ease tomorrow.

FGN Bonds

The local bonds market traded cautiously today, with a bearish backdrop as investors positioned ahead of the next primary market auction. At the market close, average mid-yield increased by 6bps to settle at 16.65%.

Outlook: We expect activity to trade bearish tomorrow.

Eurobonds

The Eurobonds market traded bullish today, as buy-side interests reverberate across the curve. The bullish bias was partly driven by investors' rising appetite for attractive yield levels coupled with lower-than-expected slump in U.S Retail Sales data. The SSA and MENA curves mirrored the dominance of bidders at the end of the session. Consequently, Nigeria's average mid-yield declined by 26bps to close at 9.55%.

Outlook: We expect the bullish bias to wane tomorrow.

| Date | Sys. Liq. (₦bn) | Diff. |
|-----------|-----------------|-----------|
| 15-Feb-24 | 298.61 | ↓(141.08) |
| 14-Feb-24 | 439.68 | |

Source: CBN

AICO Money Market Fund (AMMF)

| | |
|----------------------------|-----------------------------------|
| (As of 14th February 2024) | 14.1000% |
| 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 (+0.79% 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 | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 15-Feb-24 | 14-Feb-24 | Change in Rates |
| 84 days | 13.96% | 13.96% | (0.00%) |
| 147 days | 13.50% | 13.63% | +0.13% |
| 294 days | 16.15% | 16.36% | +0.21% |

Source: FMDQ DQL for 15 February 2024

| Benchmark FGN Bond Yields | | | |
|-----------------------------|-----------|-----------|-----------------|
| | 15-Feb-24 | 14-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 | 17.78% | 16.80% | (0.98%) |
| 30 yrs: 12.98% 27-Mar-2050 | 17.88% | 16.15% | (1.73%) |

Source: FMDQ DQL for 15 February 2024

| Benchmark FGN Eurobond Yields | | | |
|-------------------------------|-----------|-----------|-----------------|
| | 15-Feb-24 | 14-Feb-24 | Change in Yield |
| 5 yrs: NGERIA 6 1/2 11/28/27 | 8.75% | 9.04% | +0.29% |
| 10 yrs: NGERIA 7.875 02/16/32 | 9.75% | 10.02% | +0.27% |
| 15 yrs: NGERIA 7.696 23/02/38 | 10.09% | 10.34% | +0.25% |
| 30 yrs: NGERIA 9.248 01/21/49 | 10.13% | 10.27% | +0.14% |
| 7.125% ECOTRAN 16/02/26 | 9.38% | 9.36% | (0.02%) |

Source: FBN UK Runs for 15 February 2024

Nigerian Equities

The persistent interest in GEREGU (+6.47%) induced the bullish close in the Nigerian equity market. The ASI gained 0.58% to settle at 104,100.00 points while the year-to-date return settled at c.39.22% and total market capitalization was valued at ₦56.96 trillion.

Consequently, trading activity was negative, with -33.35% and -42.89% decline in the total volume and value traded, respectively. Further, GTCO led the volume chart with 56.61 million units the value charts with ₦2.22 billion. The Industrial and Consumer Goods increased by 1.95% and 0.22%, respectively, while Banking Index declined by 1.32%. The Oil & Gas Index flattened.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 3.74% (or ₦57.47) to \$/₦1,498.25 from \$/₦1,556.54 recorded last yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil prices increased today, shaking off earlier losses on the back of a weak global demand forecast for 2024. Brent crude reached \$83.12 per barrel, while West Texas Intermediate (WTI) stood at \$78.31 per barrel at the time of reporting. The price of gold increased to \$2,011.10 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 |
| UPL | 2.87 | 0.26 | ↑ | 9.96% |
| JULI | 1.34 | 0.12 | ↑ | 9.84% |
| MBENEFIT | 0.70 | 0.06 | ↑ | 9.38% |
| DAARCOMM | 0.74 | 0.06 | ↑ | 8.82% |
| HONYFLOUR | 4.30 | 0.30 | ↑ | 7.50% |

Source: NGX, AIICO Capital

| Top 5 Equity Decliners | | | | |
|------------------------|---------------|---------|---|----------|
| Name (Symbol) | Closing Price | Loss(N) | | % Change |
| UNILEVER | 16.10 | -1.75 | ↓ | -9.80% |
| JBERGER | 50.60 | -5.40 | ↓ | -9.64% |
| MORISON | 2.73 | -0.29 | ↓ | -9.60% |
| MAYBAKER | 6.45 | -0.45 | ↓ | -6.52% |
| NASCON | 59.05 | -3.35 | ↓ | -5.37% |

Source: NGX, AIICO Capital

| ers | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|----------|
| NGX ASI | ↑ 0.58% | ↑ 2.84% | ↑ 2.91% | ↑ 39.22% |
| NSE Banking Index | ↓ -1.32% | ↓ -0.76% | ↑ 2.65% | ↓ -0.81% |
| NSE Insurance Index | ↓ -0.07% | ↑ 6.15% | ↑ 8.68% | ↑ 32.24% |
| NSE Industrial Goods Index | ↑ 1.95% | ↓ -1.81% | ↓ -5.43% | ↑ 96.57% |
| NSE Consumer Goods Index | ↑ 0.22% | ↑ 5.35% | ↑ 10.92% | ↑ 37.90% |
| NSE Oil & Gas Index | → 0.00% | ↑ 5.68% | ↑ 5.20% | ↑ 26.19% |

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