

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity significantly increased by 420.88% to ₦402.00 billion today, compared to Friday's close, following some CRR refunds. Nonetheless, the Open Repo Rate and Overnight Rate increased by 46bps and 57bps to 16.71% and 17.50%, respectively.

Outlook: *We expect rates to notch upward tomorrow.*

Treasury Bills

The treasury bills market traded relatively quiet, given market attention towards the bond auction. Although, few buy-side interests were noticed on selected papers. Overall, average mid-rate remained unchanged at 13.57%.

Outlook: *We expect a similar activity tomorrow..*

FGN Bonds

Today's activity was centred on the FGN bond auction, as the DMO offered bonds worth ₦2.5 trillion. As a result, average mid-yield flattened at 16.65%.

Outlook: *We expect the bond auction result to impact the direction of the market tomorrow.*

Eurobonds

Activity in the Eurobonds market traded sideways today, but at a less aggressive pace, with jitters around U.S. Federal Reserve officials pointing to a more patient stance on rate cut. Overall, Nigeria's average mid-yield increased by 3bps to close at 9.58%.

Outlook: *We expect the mixed sentiment to linger.*

| Date | Sys. Liq. (₦bn) | Diff. |
|-----------|-----------------|----------|
| 19-Feb-24 | 402.00 | ↑ 324.82 |
| 16-Feb-24 | 77.18 | |

Source: CBN

AICO Money Market Fund (AMMF)

| | |
|----------------------------|-----------------------------------|
| (As of 18th February 2024) | 13.6467% |
| Added Benefit | Personal accident insurance cover |

Macro Indicators

| | |
|---------------------------------|------------------------------|
| GDP (Q3 2023) | +2.54% (Q2: 2023 +2.51% y/y) |
| Inflation (January'2024) | 29.90% (Dec'23: 28.92%) |
| External Reserve (US\$'billion) | 33.29 (+1.16% YTD) |
| Monetary Policy Rate | 18.75% |
| Cash Reserve Requirement (CRR) | 32.50% |
| Brent Crude Price US\$/bbl | *83.42 (-0.07% d/d) |

Source: NBS, CBN, AICO Capital

| Benchmark T-Bills Discount Rates | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 19-Feb-24 | 16-Feb-24 | Change in Rates |
| 80 days | 13.96% | 13.96% | (0.00%) |
| 157 days | 13.75% | 13.75% | (0.00%) |
| 297 days | 16.23% | 16.23% | (0.00%) |

Source: FMDQ DQL for 19 February 2024

| Benchmark FGN Bond Yields | | | |
|-----------------------------|-----------|-----------|-----------------|
| | 19-Feb-24 | 16-Feb-24 | Change in Yield |
| 5 yrs: 16.2884% 17-Mar-2027 | 16.50% | 16.50% | (0.00%) |
| 10 yrs: 12.50% 27-Apr-2032 | 15.76% | 15.75% | (0.01%) |
| 20 yrs: 13.00% 21-Jan-2042 | 17.78% | 17.78% | (0.00%) |
| 30 yrs: 12.98% 27-Mar-2050 | 17.88% | 17.88% | (0.00%) |

Source: FMDQ DQL for 19 February 2024

| Benchmark FGN Eurobond Yields | | | |
|-------------------------------|-----------|-----------|-----------------|
| | 19-Feb-24 | 15-Feb-24 | Change in Yield |
| 5 yrs: NGERIA 6 1/2 11/28/27 | 8.84% | 8.75% | (0.09%) |
| 10 yrs: NGERIA 7.875 02/16/32 | 9.78% | 9.75% | (0.03%) |
| 15 yrs: NGERIA 7.696 23/02/38 | 10.11% | 10.09% | (0.02%) |
| 30 yrs: NGERIA 9.248 01/21/49 | 10.12% | 10.13% | +0.01% |
| 7.125% ECOTRAN 16/02/26 | 9.38% | 9.38% | (0.00%) |

Source: FBN UK Runs for 15 February 2024

Nigerian Equities

The Nigerian equity market closed bearish today, given selloffs across several tickers, including DANGCEM (-10.00%) and MTNN (-10.00%). Thus, the ASI lost 3.15% to settle at 102,393.23 points while the year-to-date return settled at c.36.94% and total market capitalization was valued at ₦56.02 trillion.

Trading activity was negative, with -20.05% and -7.58% decline in the total volume and value traded, respectively. Further, GTCO led the volume chart with 28.85 million units while GEREGU led the value charts with ₦1.74 billion. All indices closed in the red. The Industrial and Consumer Goods lost 6.02% and 0.77%, respectively, while Banking and Oil & Gas Indices declined by 0.26% and 0.28%, respectively.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 3.94% (or ₦60.58) to \$/₦1,598.54 from \$/₦1,537.96 recorded last Friday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices edged down today as markets digested comments from U.S. Federal Reserve officials pointing to a more patient stance regarding potential interest rate cuts. Brent crude reached \$83.42 per barrel, while West Texas Intermediate (WTI) stood at \$79.43 per barrel at the time of reporting. The price of gold increased to \$2,028.10 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 |
| JULI | 1.61 | 0.14 | ↑ | 9.52% |
| DAARCOMM | 0.88 | 0.07 | ↑ | 8.64% |
| SUNUASSUR | 1.90 | 0.12 | ↑ | 6.74% |
| ABCTRANS | 0.96 | 0.06 | ↑ | 6.67% |
| NAHCO | 30.70 | 1.70 | ↑ | 5.86% |

Source: NGX, AIICO Capital

| Top 5 Equity Decliners | | | | |
|------------------------|---------------|---------|---|----------|
| Name (Symbol) | Closing Price | Loss(N) | | % Change |
| DANGCEM | 686.70 | -76.30 | ↓ | -10.00% |
| MTNN | 247.50 | -27.50 | ↓ | -10.00% |
| NGXGROUP | 22.20 | -2.40 | ↓ | -9.76% |
| NEM | 6.95 | -0.75 | ↓ | -9.74% |
| TANTALIZER | 0.38 | -0.04 | ↓ | -9.52% |

Source: NGX, AIICO Capital

| ers | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|-----------|----------|
| NGX ASI | ↓ -3.15% | ↑ 0.34% | ↑ 1.22% | ↑ 36.94% |
| NSE Banking Index | ↓ -0.26% | ↓ -0.73% | ↑ 3.14% | ↓ -0.34% |
| NSE Insurance Index | ↓ -2.49% | ↓ -2.14% | ↑ 5.25% | ↑ 28.06% |
| NSE Industrial Goods Index | ↓ -6.02% | ↓ -7.68% | ↓ -11.13% | ↑ 84.73% |
| NSE Consumer Goods Index | ↓ -0.77% | ↑ 9.45% | ↑ 16.75% | ↑ 45.15% |
| NSE Oil & Gas Index | ↓ -0.28% | ↑ 4.80% | ↑ 4.57% | ↑ 25.44% |

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