

# Daily Financial Market Update

**AICO CAPITAL**
[www.aicocapital.com](http://www.aicocapital.com)

f t in @ /aicocapitalng

## MARKET COMMENTARY

### Money Market

Opening system declined by 50.55% to ₦198.79 billion today, compared to ₦402.00 billion reported yesterday. Consequently, the Open Repo Rate and Overnight Rate increased by 46bps and 57bps to 16.71% and 17.50%, respectively.

**Outlook:** We expect expand tomorrow amid the FGN bond auction funding.

### Treasury Bills

The treasury bills market posted a bullish sentiment in today's session, with most buyside interests seen at the belly and long end of the curve. Towards the end of the session, activity eased, and market settled on a relatively bullish note. As a result, average mid-rate declined marginally by 1bp to 13.97%.

**Outlook:** We expect activity to be tilted towards the NTB auction tomorrow as the DMO would be offering ₦265.50 billion.

### FGN Bonds

The FGN bond secondary market saw subdued activity today, with investors' attention primarily directed towards the outcome of the FGN bond auction. Following the release of the auction results, which saw the DMO offer ₦2.5 trillion worth of bonds but sold c.₦1.49 trillion across two maturities (2031s and 2034s) with a subscription of c.₦1.9 trillion, the market experienced mixed sentiments afterwards. Yields adjusted across the surrounding tenors, with late buyside interest noted in the newly issued 2034 paper. Overall, the average mid-yield expanded by c.31bps to settle at 16.94%.

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

### Eurobonds

Activity in the Eurobonds market started calm, although, sentiments were tossed bearish across major African papers in the second half of the session. Overall, Nigeria's average mid-yield increased by 16bps to close at 9.75%.

**Outlook:** We expect market to trade cautiously ahead of the release of the minutes of the last FOMC meeting.

Date	Sys. Liq. (₦bn)	Diff.
20-Feb-24	198.79	↓(203.21)
19-Feb-24	402.00	

Source: CBN

### AICO Money Market Fund (AMMF)

(As of 19th February 2024)	13.6134%
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)	33.39 (+1.45% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*83.43 (-0.16% d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	20-Feb-24	19-Feb-24	Change in Rates
79 days	13.96%	13.96%	(0.00%)
156 days	13.75%	13.75%	(0.00%)
296 days	16.23%	16.23%	(0.00%)

Source: FMDQ DQL for 20 February 2024

Benchmark FGN Bond Yields			
	20-Feb-24	19-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%	15.76%	(0.00%)
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 20 February 2024

Benchmark FGN Eurobond Yields			
	20-Feb-24	19-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.01%	8.84%	(0.17%)
10 yrs: NGERIA 7.875 02/16/32	9.97%	9.78%	(0.19%)
15 yrs: NGERIA 7.696 23/02/38	10.27%	10.13%	(0.14%)
30 yrs: NGERIA 9.248 01/21/49	10.25%	10.13%	(0.12%)
7.125% ECOTRAN 16/02/26	9.38%	9.38%	(0.00%)

Source: ZENITH UK Runs for 20 February 2024

## Nigerian Equities

Despite the buying interest on GEREGU (+3.68%), the bearish bias on BUACEMENT, FBNH and TRANSCORP precipitated the overall bearish sentiment in the market. Thus, the ASI lost 1.30%, to settle at 101,060.67 points while the year-to-date return settled at c.35.16% and total market capitalization was valued at ₦55.30 trillion.

Trading activity was negative, with -6.46% and -10.90% decline in the total volume and value traded, respectively. Further, TRANSCORP led the volume chart with 39.75 million units while GEREGU led the value charts with ₦1.11 billion. The Banking, Industrial and Consumer Goods Indices shed 2.37%, 3.62% and 0.87%, respectively, while the Oil & Gas Index increased by 0.21%.

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

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 2.96% (or ₦47.30) to \$/₦1,551.24 from \$/₦1,598.54 recorded yesterday.

**Outlook:** *We expect volatility to persist.*

## Commodities

The conflict in the middle east continues to impact the oil prices. Brent crude reached \$83.24 per barrel, while West Texas Intermediate (WTI) stood at \$79.77 per barrel at the time of reporting. The price of gold increased to \$2,039.90 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	1.77	0.16	↑ 9.94%
ETERNA	17.20	1.00	↑ 6.17%
VERITASKAP	0.71	0.04	↑ 5.97%
GEREGU	985.00	35.00	↑ 3.68%
TANTALIZER	0.39	0.01	↑ 2.63%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
HONYFLOUR	3.60	-0.40	↓ -10.00%
BUACEMENT	142.95	-15.85	↓ -9.98%
PZ	27.30	-2.95	↓ -9.75%
UPDCREIT	5.35	-0.55	↓ -9.32%
NEM	6.35	-0.60	↓ -8.63%

Source: NGX, AIICO Capital

Index	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -1.30%	↓ -0.64%	↓ -0.09%	↑ 35.16%
NSE Banking Index	↓ -2.37%	↓ -1.26%	↑ 0.69%	↓ -2.70%
NSE Insurance Index	↓ -3.89%	↓ -6.99%	↑ 1.16%	↑ 23.08%
NSE Industrial Goods Index	↓ -3.62%	↓ -10.92%	↓ -14.35%	↑ 78.05%
NSE Consumer Goods Index	↓ -0.87%	↑ 8.73%	↑ 15.73%	↑ 43.88%
NSE Oil & Gas Index	↑ 0.21%	↑ 4.93%	↑ 4.80%	↑ 25.71%

### 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.