

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

The opening system liquidity experienced a significant decline, entering a negative zone at -₦641.23 billion, in contrast to the ₦198.79 billion reported yesterday. Consequently, both the Open Repo Rate and Overnight Rate surged, rising by c.149 bps and c.148 bps to 24.50% and 25.42%, respectively.

Outlook: We expect rates to stay elevated in the interim.

Treasury Bills

In today's session, the treasury bills market remained subdued, with activity notably quiet as market participants focused on the NTB auction. Consequently, the average mid-rate remained unchanged at 13.97%.

Outlook: We expect a bearish bias in tomorrow's session, given the high stop rate amidst dampened system liquidity.

FGN Bonds

The FGN local bond market experienced limited activity, characterized by a sparse number of trades involving selected bonds (Feb 2034s, 2038s and 2053s). Despite this, the average mid-yield showed no change, closing at 16.94%.

Outlook: We expect a bearish bias in tomorrow's session.

Eurobonds

African papers opened quiet in today's session. The Egypt and South African papers switched to a bullish bias, while the SSA curves witnessed a bearish spiral at the close of today's session. Consequently, Nigeria's average mid-yield increased by 10bps to close at 9.85%.

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

Date	Sys. Liq. (₦bn)	Diff.
21-Feb-24	-641.23	↓(840.03)
20-Feb-24	198.79	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 20th February 2024)	13.6899%
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			
	21-Feb-24	20-Feb-24	Change in Rates
78 days	13.96%	13.96%	(0.00%)
155 days	13.75%	13.75%	(0.00%)
295 days	16.23%	16.23%	(0.00%)

Source: FMDQ DQL for 21 February 2024

Benchmark FGN Bond Yields			
	21-Feb-24	20-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 21 February 2024

Benchmark FGN Eurobond Yields			
	21-Feb-24	20-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.18%	9.01%	(0.17%)
10 yrs: NGERIA 7.875 02/16/32	10.08%	9.97%	(0.11%)
15 yrs: NGERIA 7.696 23/02/38	10.35%	10.27%	(0.08%)
30 yrs: NGERIA 9.248 01/21/49	10.33%	10.25%	(0.08%)
7.125% ECOTRAN 16/02/26	9.38%	9.38%	(0.00%)

Source: ZENITH UK Runs for 21 February 2024

Nigerian Equities

Today, the Nigerian equity market experienced a modest gain, propelled by a rebound in FBNH (+9.96%). Despite ongoing selling interests across various stocks, the pace of decline was less aggressive, with 43 decliners and 11 advancers observed. As a result, the All-Share Index (ASI) increased by 0.30% to settle at 101,362.38 points, with the year-to-date return reaching approximately 35.56% and total market capitalization valued at ₦55.46 trillion.

Trading activity showed a mixed pattern, with a notable 18.19% increase in total volume traded but a slight 1.15% decline in total value traded. FBNH led both the volume and value charts, recording 39.38 million units traded valued at ₦1.10 billion. Across sectors, the Banking, Industrial, and Oil & Gas Indices experienced an uptick of 0.31%, 1.60%, and 0.07% respectively, while the Consumer Goods Index fell by 0.24%.

Outlook: We expect a similar momentum tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.56% (or ₦8.66) to \$/₦1,542.58 from \$/₦1,551.24 recorded yesterday.

Outlook: We expect volatility to persist.

Commodities

Crude oil futures fell slightly today as the market waits for further indication of when the Federal Reserve might cut interest rates. Brent crude reached \$82.52 per barrel, while West Texas Intermediate (WTI) stood at \$77.30 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 the minutes of US FOMC meeting to partly impact market tomorrow.

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
FBNH	28.70	2.60	↑	9.96%
JULI	1.94	0.17	↑	9.60%
MBENEFIT	0.70	0.06	↑	9.38%
REGALINS	0.44	0.03	↑	7.32%
BUACEMENT	150.00	7.05	↑	4.93%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
OKOMUOIL	243.00	-27.00	↓	-10.00%
MORISON	2.05	-0.22	↓	-9.69%
STERLINGNG	4.34	-0.46	↓	-9.58%
JAPAUFGOLD	2.33	-0.24	↓	-9.34%
CAVERTON	1.68	-0.17	↓	-9.19%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.30%	↓ -2.06%	↑ 0.21%	↑ 35.56%
NSE Banking Index	↑ 0.31%	↓ -2.90%	↑ 1.01%	↓ -2.40%
NSE Insurance Index	↓ -2.50%	↓ -9.32%	↓ -1.37%	↑ 20.00%
NSE Industrial Goods Index	↑ 1.60%	↓ -6.19%	↓ -12.98%	↑ 80.89%
NSE Consumer Goods Index	↓ -0.24%	↑ 4.32%	↑ 15.46%	↑ 43.54%
NSE Oil & Gas Index	↑ 0.07%	↓ -0.31%	↑ 4.88%	↑ 25.80%

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