

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity stayed in the negative at -₦618.07 billion slightly higher than -₦964.76 billion recorded last Friday. Consequently, the Open Repo Rate and Overnight Rate decreased by c.136 bps and c.150 bps to 23.55% and 24.25%, respectively.

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

Treasury Bills

Activity in the treasury bills market was minimal across the curve today, although, the long end of the curve witnessed some cherry-picking towards close of trading. Overall, market settled bullish, as the average mid-rate declined by c.28bps to settle at 14.81%.

Outlook: We expect activity to remain cautious, as market anticipate interest rate decision by the Monetary Policy Committee (MPC).

FGN Bonds

In the FGN local bond market, players endured a quiet session with a bearish backdrop, particularly on 2038 and 2053 maturities. Before the closing bell, few bids resurfaced across select maturities. Consequently, the average mid-yield dipped by 13bps to settle at 17.21%.

Outlook: We expect activity to remain cautious, as market anticipate interest rate decision by the Monetary Policy Committee (MPC).

Eurobonds

The Eurobonds market opened the week with a bullish momentum, as the SSA and MENA curves were awash with buy-side interests. Particularly for Egypt, the buying interests was quite significant in today's session, given market's anticipation of the "mega-sized" \$12 billion loan program from IMF. Consequently, Nigeria's average mid-yield declined by 18bps to close at 9.63%.

Outlook: We expect a similar trend tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
26-Feb-24	-618.07	↑ 346.69
23-Feb-24	-964.76	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 21st February 2024)	13.6287%
Added Benefit	Personal accident insurance cover

Macro Indicators	
GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (December'2023)	28.20% (Nov'23: 28.20%)
External Reserve (US\$'billion)	33.45 (+1.62% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*81.92 (+0.37 d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	26-Feb-24	23-Feb-24	Change in Rates
73 days	13.62%	13.62%	(0.00%)
150 days	15.15%	15.15%	(0.00%)
290 days	17.19%	17.19%	(0.00%)

Source: FMDQ DQL for 26 February 2024

Benchmark FGN Bond Yields			
	26-Feb-24	23-Feb-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	16.70%	16.70%	(0.20%)
10 yrs: 12.50% 27-Apr-2032	15.76%	15.76%	(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 26 February 2024

Benchmark FGN Eurobond Yields			
	26-Feb-24	23-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.97%	9.10%	+0.13%
10 yrs: NGERIA 7.875 02/16/32	9.80%	10.00%	+0.20%
15 yrs: NGERIA 7.696 23/02/38	10.11%	10.23%	+0.12%
30 yrs: NGERIA 9.248 01/21/49	9.94%	10.25%	+0.31%
7.125% ECOTRAN 16/02/26	9.38%	9.38%	(0.00%)

Source: ZENITH UK Runs for 26 February 2024

Nigerian Equities

The Nigerian equity market resumed its bearish course today. This time, selloffs were observed on NESTLE (-10.00%), DANGSUGAR (-7.69%), and ACCESSCORP (-4.30%). To give more perspective, the All-Share Index (ASI) lost 0.09% to settle at 101,995.53 points, with the year-to-date return settling at 36.41% and total market capitalization valued at ₦55.81 trillion.

Trading activity was positive compared to Friday's session, with +1.14% and -11.69% in total volume and value traded, respectively. FBNH led both the volume and value charts, recording 73.84 million units at ₦2.42 billion. Across sectors the Banking sector gained 1.35%. In contrast, while the Consumer Goods and Oil & Gas Indices lost 1.46% and 0.37%, respectively. Thus, the Industrial Index closed flat.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 4.96% (or ₦82.58) to \$/₦1,582.92 from \$/₦1,665.50 recorded last Friday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices slipped today amid speculation that stronger than expected inflation could delay cuts to high interest rates that have been capping growth in global fuel demand. Brent crude reached \$82.27 per barrel, while West Texas Intermediate (WTI) stood at \$77.29 per barrel at the time of reporting. The price of gold increased to \$2,036.30 per ounce at the same time.

Outlook: *We expect the fluctuation to linger, as geopolitical conflicts remain in the picture.*

Top 5 Equity Advancers					
Name (Symbol)	Closing Price	Gain(N)		% Change	
NASCON	66.00	6.00	↑	10.00%	
JULI	2.57	0.23	↑	9.83%	
FBNH	34.00	3.00	↑	9.68%	
WAPIC	0.73	0.06	↑	8.96%	
DAARCOMM	0.86	0.07	↑	8.86%	

Source: NGX, AIICO Capital

Top 5 Equity Decliners					
Name (Symbol)	Closing Price	Loss(N)		% Change	
NESTLE	990.00	-110.00	↓	-10.00%	
ETERNA	15.80	-1.75	↓	-9.97%	
FIDSON	15.15	-1.65	↓	-9.82%	
CWG	6.15	-0.65	↓	-9.56%	
SUNUASSUR	1.90	-0.19	↓	-9.09%	

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.09%	↓ -0.39%	↑ 0.83%	↑ 36.41%
NSE Banking Index	↑ 1.35%	↓ -0.52%	↑ 2.60%	↓ -0.86%
NSE Insurance Index	↑ 0.18%	↓ -6.42%	↓ -1.51%	↑ 19.84%
NSE Industrial Goods Index	→ 0.00%	↓ -2.04%	↓ -12.94%	↑ 80.97%
NSE Consumer Goods Index	↓ -1.46%	↑ 1.31%	↑ 18.28%	↑ 47.06%
NSE Oil & Gas Index	↓ -0.37%	↓ -0.08%	↑ 4.48%	↑ 25.34%

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