

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity stayed in the negative at -₦549.57 billion slightly higher than -₦618.07 billion recorded yesterday. Nonetheless, the Open Repo Rate and Overnight Rate increased by c.191 bps and c.246 bps to 25.46% and 26.71%, respectively.

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

Treasury Bills

Activity in the treasury bills market was mixed, with sideways interest observed on long-dated maturities, particularly 20 Feb 2025. Overall, the executed volumes were few and far between, as investors also kept a close eye on the interest rate decision by the MPC today. Thus, the average mid-rate closed relatively flat, settling at 14.81%.

Outlook: We expect market to trend bearish tomorrow, given the aggressive tightening move by the CBN.

FGN Bonds

The FGN local bond market witnessed a calm session as well, with mild interests seen on Feb 2034 and 2053 papers. Consequently, the average mid-yield increased slightly by 2bps to settle at 17.23%.

Outlook: We expect bond yields to retrace higher amid the recent MPC decision.

Eurobonds

The Eurobonds market started the session on a weak note, through mid-day. Afterwards, activity tilted bearish across African curves, albeit, at a less aggressive pace. Consequently, Nigeria's average mid-yield increased by 2bps to close at 9.65%.

Outlook: The speaking engagements by Fed's officials and US GDP report should impact activity tomorrow.

Date	Sys. Liq. (₦'bn)	Diff.
27-Feb-24	-549.57	↑ 68.50
26-Feb-24	-618.07	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 26th February 2024)	13.7765%
Added Benefit	Personal accident insurance cover
Macro Indicators	
GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (January 2024)	29.90% (Dec'23: 28.92%)
External Reserve (US\$'billion)	33.52 (+1.84% YTD)
Monetary Policy Rate	22.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*81.92 (+0.37 d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	27-Feb-24	26-Feb-24	Change in Rates
72 days	13.62%	13.62%	(0.00%)
149 days	15.15%	15.15%	(0.00%)
289 days	17.19%	17.19%	(0.00%)

Source: FMDQ DQL for 27 February 2024

Benchmark FGN Bond Yields			
	27-Feb-24	26-Feb-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	16.70%	16.70%	(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 27 February 2024

Benchmark FGN Eurobond Yields			
	27-Feb-24	26-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.98%	8.97%	(0.01%)
10 yrs: NGERIA 7.875 02/16/32	9.83%	9.80%	(0.03%)
15 yrs: NGERIA 7.696 23/02/38	10.17%	10.11%	(0.06%)
30 yrs: NGERIA 9.248 01/21/49	10.16%	9.94%	(0.22%)
7.125% ECOTRAN 16/02/26	10.21%	10.13%	(0.08%)

Source: ZENITH UK Runs for 27 February 2024

Nigerian Equities

The Nigerian equity market lost c. ₦772.97 billion, following selling pressure on FBNH (-10.00%), MTNN (-9.94%), NASCON (-7.73%) and UBA (-5.46%). To give more perspective, the All-Share Index (ASI) shed 1.39% to settle at 100,582.89 points, with the year-to-date return easing to 34.52% and total market capitalization valued at ₦55.04 trillion.

Trading activity was negative compared to yesterday's session, with -4.71% and -8.96% in total volume and value traded, respectively. TRANSCORP led the volume chart with 44.4 million units while NASCON led the values chart with ₦893.68 billion. The Banking Sector lost 3.35%, while Industrial and Consumer Goods Indices lost 0.05% and 0.17%, respectively. Meanwhile, the Oil & Gas index flattened.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 2.09% (or ₦33.02) to \$/₦1,615.94 from \$/₦1,582.92 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Crude edges higher on supply concerns as shipping disruptions continue Brent crude reached \$83.28 per barrel, while West Texas Intermediate (WTI) stood at \$78.45 per barrel at the time of reporting. The price of gold increased to \$2,042.10 per ounce at the same time.

Outlook: *We expect oil prices to remain elevated.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
OMATEK	0.78	0.07	↑	9.86%
AFRIPRUD	7.80	0.70	↑	9.86%
JULI	2.82	0.25	↑	9.73%
TANTALIZER	0.40	0.03	↑	8.11%
ELLAHLAKES	3.08	0.23	↑	8.07%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
MULTIVERSE	15.30	-1.70	↓	-10.00%
FBNH	30.60	-3.40	↓	-10.00%
MTNN	222.90	-24.60	↓	-9.94%
MCNICHOLS	1.29	-0.14	↓	-9.79%
CONHALLPLC	1.22	-0.13	↓	-9.63%

Source: NGX, AIICO Capital

Index	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -1.39%	↓ -0.47%	↓ -0.57%	↑ 34.52%
NSE Banking Index	↓ -3.35%	↓ -1.52%	↓ -0.84%	↓ -4.19%
NSE Insurance Index	↓ -2.19%	↓ -4.77%	↓ -3.67%	↑ 17.21%
NSE Industrial Goods Index	↓ -0.05%	↑ 1.59%	↓ -12.98%	↑ 80.88%
NSE Consumer Goods Index	↓ -0.17%	↑ 2.04%	↑ 18.09%	↑ 46.81%
NSE Oil & Gas Index	→ 0.00%	↓ -0.30%	↑ 4.48%	↑ 25.34%

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