

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity augmented to a positive level today at ₦136.16 billion from -₦549.57 billion recorded yesterday, bolstered by FAAC inflows. Consequently, the Open Repo Rate and Overnight Rate contracted by c.389 bps and c.357 bps to 21.57% and 23.14%, respectively.

Outlook: We expect the interbank rates to maintain similar levels tomorrow.

Treasury Bills

The treasury bills market settled on a bearish note today, given the 400bps hike in the benchmark rate by the MPC at yesterday's meeting. Although, some buying interests were noticed on some papers, especially on the long-dated maturities towards close of trading, as some investors look to invest their FAAC inflows. Overall, the average mid-rate increased by c.38 bps to settle at 15.19%.

Outlook: We expect a mixed theme in the interim.

FGN Bonds

Similarly, the aggressive rate hike by the MPC triggered an upward adjustment in FGN local bonds yields, particularly at the short end of the curve. While the bearish sentiment persisted, some investors showed interests on select maturities, including Feb 2034, 2038, and 2053 papers. Consequently, the average mid-yield increased by 14bps to settle at 17.38%.

Outlook: We expect some sideways activity at tomorrow's session.

Eurobonds

The SSA and MENA Eurobonds' markets sustained a downward trajectory for prices in today's session. This was supported by market's expectation for a higher month-on-month Core PCE Price, with the year-on-year reading expected to remain unchanged. At the close of market, Nigeria's average mid-yield increased by 13bps to close at 9.78%.

Outlook: Market should be looking to gauge the PCE Price Index data scheduled for tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
28-Feb-24	136.16	↑ 685.73
27-Feb-24	-549.57	

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	*84.09 (+0.53 d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	28-Feb-24	27-Feb-24	Change in Rates
71 days	14.69%	13.62%	(1.07%)
148 days	15.72%	15.15%	(0.57%)
288 days	17.61%	17.19%	(0.42%)

Source: FMDQ DQL for 28 February 2024

Benchmark FGN Bond Yields			
	28-Feb-24	27-Feb-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	17.10%	16.70%	(0.40%)
10 yrs: 12.50% 27-Apr-2032	17.72%	15.76%	(1.96%)
20 yrs: 13.00% 21-Jan-2042	17.52%	17.78%	+0.26%
30 yrs: 12.98% 27-Mar-2050	18.01%	17.88%	(0.13%)

Source: FMDQ DQL for 28 February 2024

Benchmark FGN Eurobond Yields			
	28-Feb-24	27-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.15%	8.98%	(0.17%)
10 yrs: NGERIA 7.875 02/16/32	9.95%	9.83%	(0.12%)
15 yrs: NGERIA 7.696 23/02/38	10.29%	10.17%	(0.12%)
30 yrs: NGERIA 9.248 01/21/49	10.25%	10.16%	(0.09%)
7.125% ECOTRAN 16/02/26	10.29%	10.21%	(0.08%)

Source: ZENITH UK Runs for 28 February 2024

Nigerian Equities

The Nigerian equity market suffered massive selloffs across most tickers (5 advancers vs 52 decliners), given the hawkish posture by the MPC. At mid-day, the All-Share Index plunged by c. 2.68%. Although, this was moderated with some players buying into the pull back. At the close of the session, the All-Share Index (ASI) showed a decline of 1.31% to settle at 99,266.02 points, with the year-to-date return easing to 32.76% and total market capitalization valued at ₦54.32 trillion.

Trading activity was mixed with +41.28% and -4.80% in total volume and value traded, respectively. TRANSCORP led the volume chart with 52.57 million units while ZENITHBK led the values chart with ₦1.00 billion. The Banking Sector, Industrial and Consumer Goods lost 6.90%, 0.41% and 1.20%, respectively, while the Oil & Gas index flattened.

Outlook: *We expect the bearish trend to rekindle but at a lesser pace.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.40% (or ₦6.43) to \$/₦1,609.51 from \$/₦1,615.94 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices edge lower as U.S. crude inventories rise, OPEC+ considers extending production cuts. Brent crude reached \$84.00 per barrel, while West Texas Intermediate (WTI) stood at \$79.14 per barrel at the time of reporting. The price of gold increased to \$2,041.70 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	
PZ	29.15	2.65	↑	10.00%
JULI	3.10	0.28	↑	9.93%
MANSARD	5.30	0.08	↑	1.53%
NAHCO	29.00	0.20	↑	0.69%
NPFMCRCFBK	1.84	0.01	↑	0.55%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)	% Change	
WEMABANK	7.02	-0.78	↓	-10.00%
OANDO	9.90	-1.10	↓	-10.00%
TIP	1.80	-0.20	↓	-10.00%
STERLINGNG	4.14	-0.46	↓	-10.00%
NB	30.60	-3.40	↓	-10.00%

Source: NGX, AIICO Capital

Index	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -1.31%	↓ -2.07%	↓ -1.87%	↑ 32.76%
NSE Banking Index	↓ -6.90%	↓ -8.60%	↓ -7.68%	↓ -10.80%
NSE Insurance Index	↓ -3.72%	↓ -5.96%	↓ -7.25%	↑ 12.85%
NSE Industrial Goods Index	↓ -0.41%	↓ -0.41%	↓ -13.34%	↑ 80.14%
NSE Consumer Goods Index	↓ -1.20%	↑ 1.05%	↑ 16.67%	↑ 45.05%
NSE Oil & Gas Index	→ 0.00%	↓ -0.37%	↑ 4.48%	↑ 25.34%

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