

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity slid further into the negative zone as it printed at -₦320.25 billion, compared with previous day's opening figure of -₦22.08 billion. This was driven by the FGN bond auction funding. As a result, the Open Repo Rate increased by 680bps to 19.35%, and the Overnight Rate expanded by 600bps to 20.40%.

Outlook: We expect rates to stay elevated tomorrow.

Treasury Bills

Despite the tight system liquidity, the treasury bills market witnessed few buy-side interests, with most of the demand skewed to far-mid and long dated papers. As a result, the average mid-yield declined by c.44bps to settle at 8.65%.

Outlook: We expect the market to trade sideways tomorrow.

FGN Bonds

Activity in the FGN local bonds market was less active today, although, mixed sentiment jolted across several papers. At the closing bell, market settled on a bearish note, as average mid-yield increased by 6bps to settle at 15.25%.

Outlook: We expect tomorrow's activity to trade in a tight range.

Eurobonds

The Eurobonds market traded on a cautious note ahead of interest rate decision by the U.S Federal Reserve. Although, activity slightly pivoted to the bears towards the end of the session, despite the weaker-than-expected ADP employment data. Overall, the Nigeria's average mid-yield increased by 18bps to settle at 10.05%.

Outlook: We expect the decision of the Federal Reserve later today to impact market activity tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
31-Jan-24	-320.25	↓(298.17)
30-Jan-24	-22.08	

Source: CBN

AiICO Money Market Fund (AMMF)

(As of 29th January 2024)	12.4840%
Added Benefit	Personal accident insurance cover

Macro Indicators

GDP (Q3 2023)	+2.54% (Q2: 2023 +2.51% y/y)
Inflation (December'2023)	28.92% (Nov'23: 28.20%)
External Reserve (US\$ billion)	33.37 (-10.00% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*81.86 (-1.22% d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	31-Jan-24	30-Jan-24	Change in Rates
71 days	5.10%	5.10%	(0.00%)
162 days	8.53%	8.53%	(0.00%)
281 days	13.30%	13.00%	(0.30%)

Source: FMDQ DQL for 31 January 2024

Benchmark FGN Bond Yields			
	31-Jan-24	30-Jan-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	14.86%	15.00%	+0.14%
10 yrs: 12.50% 27-Apr-2032	14.70%	14.30%	(0.40%)
20 yrs: 13.00% 21-Jan-2042	15.49%	15.39%	(0.10%)
30 yrs: 12.98% 27-Mar-2050	16.15%	15.25%	(0.90%)

Source: FMDQ DQL for 31 January 2024

Benchmark FGN Eurobond Yields			
	31-Jan-24	30-Jan-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.31%	9.14%	(0.17%)
10 yrs: NGERIA 7.875 02/16/32	10.21%	10.04%	(0.17%)
15 yrs: NGERIA 7.696 23/02/38	10.54%	10.36%	(0.18%)
30 yrs: NGERIA 9.248 01/21/49	10.56%	10.42%	(0.14%)
7.125% ECOTRAN 16/02/26	9.04%	8.97%	(0.07%)

Source: FBN UK Runs for 31 January 2024

Nigerian Equities

The Nigerian bourse closed bearish, as profit taking gathered momentum in today's session, especially the banking stocks. Meanwhile, GEREGU gained 9.69%. Thus, the All-Share Index (ASI) depreciated by 1.90% to settle at 101,154.45 points, with the year-to-date return settling at 35.28% and total market capitalization of ₦55.36 trillion.

Trading activity was positive, with a 15.44% increase in total volume and a 102.88% increase in total value. TRANSCORP led the volume charts with 79.68 million units while GEREGU led the value chart with ₦6.97 billion. The Banking, and Industrial Indices lost 8.07% and 3.02%, respectively, while the Consumer Goods and Oil & Gas Indices lost 1.82% and 1.81%, accordingly.

Outlook: *We expect a similar momentum tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.82% (or ₦26.98) to \$/₦1,455.59 from \$/₦1,482.57 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices are on pace for the first monthly gain since September as the U.S. and Iran stand on the brink of a more direct confrontation in the Middle East. Brent crude was reported at \$82.04 per barrel, and West Texas Intermediate (WTI) at \$76.61 per barrel, as at printing time. Gold increased to \$2,070.40 per ounce as of printing time.

Outlook: *We expect the bullish bias to linger tomorrow.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
TRIPPLEG	3.42	0.31	↑	9.97%
PZ	33.10	3.00	↑	9.97%
GEREGU	568.00	50.20	↑	9.69%
MCNICHOLS	1.59	0.14	↑	9.66%
VERITASKAP	0.60	0.05	↑	9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
WAPCO	36.00	-4.00	↓	-10.00%
UPDC	1.80	-0.20	↓	-10.00%
TRANSCORP	12.96	-1.44	↓	-10.00%
ROYALEX	0.72	-0.08	↓	-10.00%
MAYBAKER	6.21	-0.69	↓	-10.00%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -1.90%	↓ -0.41%	↑ 35.28%	↑ 35.28%
NSE Banking Index	↓ -8.07%	↓ -12.95%	↓ -3.37%	↓ -3.37%
NSE Insurance Index	↓ -3.02%	↓ -5.76%	↑ 21.68%	↑ 21.68%
NSE Industrial Goods Index	↓ -0.39%	↑ 5.71%	↑ 107.86%	↑ 107.86%
NSE Consumer Goods Index	↓ -1.82%	↓ -3.85%	↑ 24.33%	↑ 24.33%
NSE Oil & Gas Index	↓ -1.81%	↑ 2.39%	↑ 19.96%	↑ 19.96%

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