

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity plunged further into the negative territory, following the c.₦1.06 trillion OMO bills allotment at last week's close. To provide context, system liquidity opened at ₦1,593.09 billion, from ₦93.57 billion last Friday. However, the Open Repo Rate and Overnight Rate declined by c.28 bps and c.70 bps to 26.88% and 27.49%, respectively.

Outlook: We expect the interbank rates to stay elevated.

Treasury Bills

The treasury bills market stirred bearish today. Noticeably, selling interests lingered on the long end of the treasury bills curve, as well as the OMO papers amidst tight market liquidity. Consequently, the average mid-rate increased by c.10 bps to settle at 17.16%.

Outlook: *The bearish sentiment is expected to persist, even as activity remain less active.*

FGN Bonds

The FGN local bonds sustained its bearish momentum across board, as market continued to digest the recent rate hike by the Central Bank of Nigeria. Activity blistered around some select papers, but with only a few trades consummated. As a result, market closed bearish, and the average mid-yield increased by 5bps to settle at 17.55%.

Outlook: We expect the bearish theme to persist tomorrow.

Eurobonds

The Eurobonds market ended a bullish bias in today's session, given the surge in crude oil prices amidst OPEC+ decision to extend output cut till mid-year. Thus, buy-side interests was seen across board, including SSA and MENA papers. At the close of market, Nigeria's average mid-yield declined by 15bps to close at 9.54%.

Outlook: We expect the bullish sentiment to resurface tomorrow.

Date	Sys. Liq. (₦'bn)	Diff.	Benchmark T-Bills Discount Rates			
4-Mar-24	-1,593.09	↓ (1,499.52)		04-Mar-24	01-Mar-24	Change in Rates
1-Mar-24	-93.57		66 days	14.69%	14.69%	(0.00%)
			157 days	15.30%	15.30%	(0.00%)
			243 days	17.61%	18.18%	+0.57%

Source: CBN

Source: FMDQ DQL for 04 March 2024

AIICO Money Market Fund (AMMF)		Benchmark FGN Bond Yields			
(As of 28th February 2024)	13.7743%		04-Mar-24	01-Mar-24	Change in Yield
Added Benefit	Personal accident insurance cover	5 yrs: 16.2884% 17-Mar-2027	17.80%	17.79%	(0.01%)
		10 yrs: 12.50% 27-Apr-2032	17.73%	17.73%	(0.00%)
		20 yrs: 13.00% 21-Jan-2042	17.52%	17.52%	(0.00%)
		30 yrs: 12.98% 27-Mar-2050	18.02%	18.01%	(0.01%)

Source: NBS, CBN, AIICO Capital

Source: FMDQ DQL for 04 March 2024

Macro Indicators		Benchmark FGN Eurobond Yields			
GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)		04-Mar-24	01-Mar-24	Change in Yield
Inflation (January 2024)	29.90% (Dec'23: 28.92%)	5 yrs: NGERIA 6 1/2 11/28/27	9.03%	9.11%	+0.08%
External Reserve (US\$'billion)	33.52 (+1.84% YTD)	10 yrs: NGERIA 7.875 02/16/32	9.68%	9.78%	+0.10%
Monetary Policy Rate	22.75%	15 yrs: NGERIA 7.696 23/02/38	10.03%	10.11%	+0.08%
Cash Reserve Requirement (CRR)	45.00%	30 yrs: NGERIA 9.248 01/21/49	10.09%	10.16%	+0.07%
Brent Crude Price US\$/bbl	*83.78 (+0.28 d/b)	7.125% ECOTRAN 16/02/26	10.46%	10.46%	(0.00%)

Source: ZENITH UK Runs for 04 March 2024

Nigerian Equities

The Nigerian equity market settled on a positive note today, mostly driven by the rally on TRANSCORP (+9.94%) and GEREGU (+2.35%), despite selloffs seen on DANGSUGAR (-10.00%), NASCON (-8.55%), and MTNN (-7.82%). Thus, the All-Share Index (ASI) appreciated by 0.10% to settle at 98,847.89 points, with the year-to-date return easing to 32.20% and total market capitalization valued at ₦55.89 trillion.

Trading activity was positive with +16.87% and +193.76% in total volume and value traded, respectively. TRANSCORP led both the volume chart with 203.43 million units and the values chart with ₦3.19 billion. The Banking and Consumer Goods Indices declined by 0.46% and 1.20%, respectively, while the Industrial Goods Index gained 1.58%. The Oil & Gas Index flattened.

Outlook: *We expect momentum to ease tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by 0.92% (or ₦14.06) to \$/₦1,548.25 from \$/₦1,534.19 recorded last Friday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices edge higher after OPEC+ extends voluntary oil output cuts until mid-year. Brent crude reached \$83.24 per barrel, while West Texas Intermediate (WTI) stood at \$79.36 per barrel at the time of reporting. Gold lingers near two-month peak as bets build for June U.S. rate cut. As of print time, Gold Price hit \$2,126.70 per ounce.

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

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
TRANSCORP	15.70	1.42	↑	9.94%
PZ	37.10	3.35	↑	9.93%
NEIMETH	1.89	0.17	↑	9.88%
JULI	4.12	0.37	↑	9.87%
CONHALLPLC	1.53	0.13	↑	9.29%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
VITAFOAM	22.95	-2.55	↓	-10.00%
DANGSUGAR	53.10	-5.90	↓	-10.00%
UNITYBNK	1.98	-0.22	↓	-10.00%
NASCON	53.50	-5.00	↓	-8.55%
MTNN	185.00	-15.70	↓	-7.82%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.10%	↓ -3.09%	↓ -1.13%	↑ 32.20%
NSE Banking Index	↓ -2.53%	↓ -4.49%	→ 0.00%	↓ -5.32%
NSE Insurance Index	↓ -1.11%	↓ -4.65%	→ 0.00%	↑ 14.27%
NSE Industrial Goods Index	↑ 3.56%	↓ -0.45%	→ 0.00%	↑ 80.15%
NSE Consumer Goods Index	↓ -0.38%	↓ -1.55%	→ 0.00%	↑ 44.78%
NSE Oil & Gas Index	↑ 0.86%	↓ -0.33%	→ 0.00%	↑ 24.92%

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