

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity remained in the negative territory, opening at -c.₦2,292.06 billion today compared with -c.₦2,221.81 billion recorded last Friday. Consequently, both the Open Repo Rate and Overnight Rate increased by c.87 bps and c.78 bps, reaching 30.69% and 31.78%, respectively.

Outlook: We expect the interbank rates to stay elevated.

Treasury Bills

The activity in the treasury bills market remained subdued owing to the liquidity constraints and the expectation of another NTB auction scheduled for this week. In general, there was minimal trading activity, with only a few trades observed on 06 June 2024, 13 June 2024, and 06 Mar 2025 papers. By the end of the market session, the average mid-rate rose to 16.11%.

Outlook: We expect tomorrow's trading session to be quiet.

FGN Bonds

Today's session in the FGN local bonds market was subdued, marked by a bearish tone due to the notable deficit balance in the financial system. Consequently, the average mid-yield widened by c.2bps to reach 17.99%.

Outlook: We expect the bearish sentiment to persist tomorrow, while players anticipate the release of the FGN bonds auction notice.

Eurobonds

During today's session, the Eurobonds market exhibited a bearish sentiment, indicating market pessimism regarding the upcoming key US inflation data scheduled for tomorrow. Selling interests prevailed across African peers, leading to Nigeria's average yield increasing by 15 basis points (bps) to conclude at 9.73%.

Outlook: Tomorrow's market is anticipated to be heavily influenced by the US CPI data, which is expected to be the focal point. At the time of writing, the market anticipates that the y/y CPI data will stay unchanged, while the m/m core CPI is predicted to experience a slight decrease.

Date	Sys. Liq. (₦'bn)	Diff.
11-Mar-24	-2,292.07	↓ (70.25)
8-Mar-24	-2,221.81	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 8th March 2024)	114.0200%
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)	34.21 (+3.93% YTD)
Monetary Policy Rate	22.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*81.73 (-0.41 d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	11-Mar-24	08-Mar-24	Change in Rates
87 days	16.57%	16.57%	(0.00%)
178 days	17.41%	17.41%	(0.00%)
332 days	20.30%	19.45%	(0.85%)

Source: FMDQ DQL for 07 March 2024

Benchmark FGN Bond Yields			
	11-Mar-24	08-Mar-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	17.81%	17.81%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	18.72%	18.71%	(0.01%)
20 yrs: 13.00% 21-Jan-2042	18.69%	18.69%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	18.34%	18.34%	(0.00%)

Source: FMDQ DQL for 07 March 2024

Benchmark FGN Eurobond Yields			
	11-Mar-24	08-Mar-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.13%	8.91%	(0.22%)
10 yrs: NGERIA 7.875 02/16/32	9.86%	9.69%	(0.17%)
15 yrs: NGERIA 7.696 23/02/38	10.15%	10.04%	(0.11%)
30 yrs: NGERIA 9.248 01/21/49	10.19%	10.09%	(0.10%)
7.125% ECOTRAN 16/02/26	10.18%	10.18%	(0.00%)

Source: ZENITH UK Runs for 07 March 2024

Nigerian Equities

The Nigerian stock market posted a bullish performance, supported by multiple stocks in positive territory compared to decliners (with 34 gainers versus 16 decliners). Consequently, the All-Share Index (ASI) saw a rise of 0.70% to settle at 102,044.84 points, while the year-to-date return and market capitalization settled at 36.47% and ₦57.29 trillion, respectively.

Market activity concluded with a mixed performance, showing a 22.00% increase in trading volume but a decline of -13.98% in total value traded. UCAP dominated the volume charts with 92/87 million units traded, while UNILEVER led in terms of value traded with ₦11.65 billion. The Banking, Industrial, and Consumer Indices experienced gains of 2.00%, 0.11%, and 1.09%, respectively, whereas the Oil & Gas Index recorded a decrease of 0.23%.

Outlook: *We expect the bullish sentiment to linger tomorrow, albeit less aggressively.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.58% (or ₦9.44) to \$/₦1,617.96 from \$/₦1,627.40 recorded last Friday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices continued its decline from the previous week in anticipation of significant inflation and crude data releases. Brent crude dropped to \$82.18 per barrel, while West Texas Intermediate (WTI) fell to \$77.94 per barrel at the time of reporting. In contrast, the price of gold surged to \$2,191.20 per ounce as of the time of writing.

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

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
HONYFLOUR	3.74	0.34	↑	10.00%
NEM	6.05	0.55	↑	10.00%
DANGSUGAR	61.20	5.55	↑	9.97%
NASCON	57.60	5.20	↑	9.92%
WEMABANK	7.85	0.70	↑	9.79%

Source: NGX, AIICO Capital

Top 5 Equity Decliners				
Name (Symbol)	Closing Price	Loss(N)		% Change
PRESTIGE	0.54	-0.06	↓	-10.00%
LASACO	2.11	-0.23	↓	-9.83%
UACN	12.60	-1.35	↓	-9.68%
RTBRISCOE	0.45	-0.04	↓	-8.16%
INTENEGINS	1.55	-0.13	↓	-7.74%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.70%	↑ 3.23%	↑ 2.06%	↑ 36.47%
NSE Banking Index	↑ 2.00%	↑ 1.04%	↑ 3.18%	↓ -2.31%
NSE Insurance Index	↑ 1.48%	↓ -3.64%	↓ -2.73%	↑ 11.15%
NSE Industrial Goods Index	↑ 0.11%	↑ 0.13%	↓ -1.79%	↑ 76.93%
NSE Consumer Goods Index	↑ 1.09%	↑ 1.07%	↑ 0.24%	↑ 45.13%
NSE Oil & Gas Index	↓ -0.23%	↓ -0.23%	↓ -1.08%	↑ 23.57%

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