

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

The market saw continued negative system liquidity, although it showed some improvement compared to the previous Friday, owing to inflows from coupons providing some support to the financial system. Specifically, today's opening stood at c.- ₦351.51 billion, an improvement from the -₦791.7 billion recorded last Friday. Nonetheless, the Open Repo Rate rose by 7 bps, closing at 30.36%, while the Overnight Rate saw a decrease of around 61 bps, ending at 30.46%.

**Outlook:** We expect the interbank rates to hover at similar levels.

### Treasury Bills

Trading in the treasury bills market proceeded quietly during today's session. However, only a limited number of transactions were completed for medium and long-dated securities. Overall, the market concluded bullish with the average mid-rate closing at 15.93%.

**Outlook:** We expect similar trend to persist tomorrow.

### FGN Bonds

The local bonds market experienced a subdued session across various maturities, primarily due to market involvement in the FGN Bond auction, amounting to ₦615.01 billion, with a success rate of only 77.34% (₦475.67 billion). By the end of the trading session, the average mid-yield saw a marginal increase of 1bp, settling at 17.76%.

**Outlook:** We expect a bearish bias to permeate into the secondary market tomorrow.

### Eurobonds

Today, the Eurobonds market proceeded cautiously, with sentiments divided as investors keep tabs on the US Federal Reserve's policy decision to be announced on Wednesday. Initially, trading began with a bullish tone for African papers during the early hours. However, bullish momentum waned, allowing bears to take the lead, resulting in a bearish close for the day across various markets including Nigeria, Ghana, Kenya, Angola (though less pronounced), and South Africa. In contrast, Egypt maintained a positive trajectory at the end of the trading session. Overall, Nigerian Eurobonds concluded on a bearish note, with the average mid-yield rising by 4 basis points to settle at 10.06%.

**Outlook:** We expect sentiment to stay mixed, pending any strong catalyst.

Date	Sys. Liq. (₦bn)	Diff.
18-Mar-24	-351.51	↑ 440.19
15-Mar-24	-791.70	

Source: CBN

### AiCO Money Market Fund (AMMF)

(As of 14th March 2024)	14.8332%
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### Macro Indicators

GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (February'2024)	31.70% (Jan'24: 29.90%)
External Reserve (US\$'billion)	34.42 (+4.57% YTD)
Monetary Policy Rate	22.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*86.47 (+1.32 d/d)

Source: NBS,CBN, AiCO Capital

### Benchmark T-Bills Discount Rates

	18-Mar-24	15-Mar-24	Change in Rates
80 days	16.00%	16.00%	(0.00%)
171 days	17.41%	17.41%	(0.00%)
325 days	20.30%	20.30%	(0.00%)

Source: FMDQ DQL for 18 March 2024

### Benchmark FGN Bond Yields

	18-Mar-24	15-Mar-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.11%	18.11%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	18.72%	18.72%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	18.68%	18.68%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	18.30%	18.30%	(0.00%)

Source: FMDQ DQL for 18 March 2024

### Benchmark FGN Eurobond Yields

	18-Mar-24	15-Mar-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.27%	9.22%	(0.05%)
10 yrs: NGERIA 7.875 02/16/32	10.21%	10.16%	(0.05%)
15 yrs: NGERIA 7.696 23/02/38	10.55%	10.47%	(0.08%)
30 yrs: NGERIA 9.248 01/21/49	10.59%	10.53%	(0.06%)
7.125% ECOTRAN 16/02/26	10.07%	10.21%	+0.14%

Source: ZENITH UK Runs for 18 March 2024

## Nigerian Equities

The Nigerian equity market commenced the week with a downward trend, driven by selling pressure particularly on MTNN (-7.58%) and GTCO (-3.72%). However, there was notable buying interest observed in most banking stocks, with TRANSPOWER gaining 0.79%. Consequently, the All-Share Index closed lower by 0.40%, settling at 104,663.34 points, with the year-to-date return and market capitalization standing at 39.97% and ₦59.18 trillion, respectively.

In terms of trading activity, there was a significant increase in both total volume and value traded, rising by 32.34% and 115.75%, respectively. Among the stocks traded today, UBA recorded the highest volume of 46.23 million units, while TRANSPOWER led in terms of value with ₦3.62 billion. The Banking, Industrial, and Oil & Gas Indices posted gains of 2.53%, 0.03%, and 0.12% respectively, while the Consumer Goods Index experienced a decline of 0.35%.

**Outlook:** We expect the bullish sentiment linger in the interim.

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.86% (or ₦29.89) to \$/₦1,572.86 from \$/₦1,602.75 recorded last Friday.

**Outlook:** We expect volatility to persist.

## Commodities

Oil prices climbed over 1% to a four-month high today on lower crude exports from Iraq and Saudi Arabia and signs of stronger demand and economic growth in China and the U.S. As of writing time, the Brent crude increased by 1.23% to \$86.40 p/b, while the WIT soared by 1.44% to 82.23%. The price of Gold hit 2161.60 per ounce during today's session.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
ABCTRANS	0.78	0.07 ↑	9.86%
NEM	7.30	0.65 ↑	9.77%
LIVESTOCK	1.70	0.15 ↑	9.68%
NGXGROUP	24.10	2.10 ↑	9.55%
THOMASWY	1.99	0.17 ↑	9.34%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
MCNICHOLS	1.17	-0.12 ↓	-9.30%
DAARCOMM	0.71	-0.07 ↓	-8.97%
UPDC	1.40	-0.12 ↓	-7.89%
MTNN	247.50	-20.30 ↓	-7.58%
REGALINS	0.37	-0.02 ↓	-5.13%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.40%	↑ 2.57%	↑ 4.68%	↑ 39.97%
NSE Banking Index	↑ 2.53%	↑ 13.42%	↑ 17.03%	↑ 10.80%
NSE Insurance Index	↑ 2.95%	↑ 4.00%	↑ 1.16%	↑ 15.59%
NSE Industrial Goods Index	↑ 0.03%	↑ 0.12%	↓ -1.67%	↑ 77.14%
NSE Consumer Goods Index	↓ -0.35%	↓ -0.04%	↑ 0.20%	↑ 45.07%
NSE Oil & Gas Index	↑ 0.12%	↑ 0.13%	↓ -0.95%	↑ 23.73%

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