

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity surged into positive territory, reaching c.₦125.87 billion from yesterday's reported deficit of around -₦351.51 billion. Consequently, the Open Repo Rate witnessed a decrease of 247 bps, ending at 27.89%, while the Overnight Rate decreased by 170 bps, settling at 28.76%.

Outlook: We expect the interbank rates close higher tomorrow, as the FGN Bond auction funding should absorb liquidity from the system.

Treasury Bills

Activity in the treasury bills market saw heightened activity driven by buying interest across various papers, notably the medium and long-dated ones. To quantify, the average mid-rate experienced a decrease of 44 bps, settling at 15.50%.

Outlook: We expect the bullish bias to ease tomorrow.

FGN Bonds

The FGN local bonds market witnessed yields retracing higher, influenced by the outcome of yesterday's bond auction where stop rates closed notably higher. Consequently, selling interests were prevalent across the curve, leading to a bearish market close, with the average mid-yield expanding by c.77 bps to 18.63%.

Outlook: We expect a bearish bias posture to linger tomorrow.

Eurobonds

Activity in the African Eurobonds market displayed a mixed trend today. To elaborate, the bearish sentiment subsided amid selective trading. The SSA curve concluded on a bullish note, except for Ghana curve, which experienced a slight bearish trend. Meanwhile, Egypt sustained its bullish momentum. Overall, Nigerian Eurobonds ended on a bullish note, with the average mid-yield decreasing by 11 bps to settle at 9.94%.

Outlook: We expect a cautious activity tomorrow, as market anticipate the Fed's speech at around 7pm Nigerian Time.

Date	Sys. Liq. (₦'bn)	Diff.
19-Mar-24	125.87	↑ 477.38
18-Mar-24	-351.51	

Source: CBN

AICO Money Market Fund (AMMF)

(As of 18th March 2024)	12.3657%
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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	*87.31 (+0.48 d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates

	19-Mar-24	18-Mar-24	Change in Rates
79 days	16.00%	16.00%	(0.00%)
170 days	17.40%	17.41%	+0.01%
324 days	20.30%	20.30%	(0.00%)

Source: FMDQ DQL for 19 March 2024

Benchmark FGN Bond Yields

	19-Mar-24	18-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	18.73%	18.72%	(0.01%)
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 19 March 2024

Benchmark FGN Eurobond Yields

	19-Mar-24	18-Mar-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.14%	9.27%	+0.13%
10 yrs: NGERIA 7.875 02/16/32	10.11%	10.21%	+0.10%
15 yrs: NGERIA 7.696 23/02/38	10.45%	10.55%	+0.10%
30 yrs: NGERIA 9.248 01/21/49	10.50%	10.59%	+0.09%
7.125% ECOTRAN 16/02/26	10.07%	10.07%	(0.00%)

Source: ZENITH UK Runs for 19 March 2024

Nigerian Equities

The Nigerian equity market witnessed a bearish session today, primarily driven by profit-taking on JBERGER (-4.96%), FIDELITYBK (-4.29%), and TRANSCORP (-3.63%). However, significant bargain hunting was observed on FBNH (+9.06%). By the end of trading, the All-Share Index experienced a slight decline of 0.11%, settling at 104,553.31 points. The year-to-date return and market capitalization stood at 39.83% and ₦59.11 trillion, respectively.

Trading activity exhibited mixed trends, with total volume traded recording a 6.82% increase, while total value traded declined by 29.69%. Notably, FBNH emerged as the leader in both volume and value, with 37.81 million units and ₦1.57 billion, respectively. All Indices closed bullish; Banking (+1.07%), Industrial (+0.12%), Consumer Goods (+0.16%), and Oil & Gas (+0.04%).

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.78% (or ₦12.29) to \$/₦1,560.57 from \$/₦1,572.86 recorded yesterday.

Outlook: We expect volatility to persist.

Commodities

Oil prices was bullish, partly influenced by Opec+ production cuts and the fluctuating demand from China. As of writing time, the Brent crude increased by 1.23% to \$87.31 p/b, while the WIT soared by 1.44% to 83.28%. The price of Gold declined to 2,154.90 on stronger dollar as investors strap in for Fed meeting ounce during today's session.

Outlook: We expect oil prices to remain elevated.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
INTENEGINS	1.32	0.12 ↑	10.00%
INTBREW	4.89	0.44 ↑	9.89%
JULI	5.91	0.53 ↑	9.85%
NEM	8.00	0.70 ↑	9.59%
FBNH	43.95	3.65 ↑	9.06%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
DAARCOMM	0.64	-0.07 ↓	-9.86%
CWG	5.50	-0.55 ↓	-9.09%
SOVRENINS	0.43	-0.04 ↓	-8.51%
UPDCREIT	5.15	-0.35 ↓	-6.36%
FIDSON	15.00	-1.00 ↓	-6.25%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.11%	↑ 0.99%	↑ 4.57%	↑ 39.83%
NSE Banking Index	↑ 1.07%	↑ 8.81%	↑ 18.28%	↑ 11.99%
NSE Insurance Index	↑ 0.59%	↑ 3.39%	↑ 1.75%	↑ 16.27%
NSE Industrial Goods Index	↑ 0.12%	↑ 0.24%	↓ -1.55%	↑ 77.35%
NSE Consumer Goods Index	↑ 0.16%	↑ 0.61%	↑ 0.37%	↑ 45.31%
NSE Oil & Gas Index	↑ 0.04%	↑ 0.05%	↓ -0.91%	↑ 23.79%

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