

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening liquidity system improved, shifting to a positive balance of c.₦97.44 billion compared to yesterday's deficit of -₦125.87 billion. This improvement occurred despite the settlement of the FGN bond auction today. As a result, the Open Repo Rate saw a decline of 222 bps, closing at 25.67%, while the Overnight Rate decreased by 218 bps, ending at 26.58%.

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

### Treasury Bills

There was buying activity in the treasury bills market, particularly in papers around the mid to long end of the curve. However, the market ended on a bearish note as investors exercised caution in anticipation of next week's MPC meeting and NTB auction. Consequently, the average mid-rate closed 16 basis points higher at 15.65%.

**Outlook:** We expect a mixed theme in the interim.

### FGN Bonds

Persistent selling interest was observed in various papers within the FGN local bonds market, while minimal buying activity was limited to select papers. Consequently, the average mid-yield remained relatively unchanged at 18.63%, reflecting weak traded volumes overall.

**Outlook:** We expect the bearish sentiment to resurface in tomorrow's session.

### Eurobonds

Today, the Eurobonds market displayed a bullish trend, driven by the consensus expectation of the Fed maintaining its hold stance at the FOMC meeting. Buyside interests were evident across the African curve throughout the trading session. In Egypt, Mohamed Maait, the Minister of Finance, disclosed the government's aim to decrease the debt-to-GDP ratio to below 80% over the next three years. Additionally, he highlighted the positive impact of the €7.4 billion financial package from the European Union on the path to economic stability. This development has started to reflect positively in the improved outlook from credit rating institutions, notably Moody's, for the Egyptian economy. Consequently, the Nigerian curve concluded on a bullish note, with the average mid-yield declining by 21 basis points to settle at 9.73%.

**Outlook:** We expect the bullish bias to persist tomorrow, given the less agitation to cut rate in the near term as noted at the Fed's Press Conference today.

Date	Sys. Liq. (₦'bn)	Diff.
20-Mar-24	97.44	
19-Mar-24	125.87	↓ (28.44)

Source: CBN

### AiCO Money Market Fund (AMMF)

(As of 19th March 2024)	15.0308%
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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)	34.38 (+4.49% 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			
	20-Mar-24	19-Mar-24	Change in Rates
78 days	16.00%	16.00%	(0.00%)
169 days	16.40%	17.40%	+1.00%
323 days	17.95%	20.30%	+2.35%

Source: FMDQ DQL for 20 March 2024

Benchmark FGN Bond Yields			
	20-Mar-24	19-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	19.89%	18.73%	(1.16%)
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 20 March 2024

Benchmark FGN Eurobond Yields			
	20-Mar-24	19-Mar-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.76%	9.14%	+0.38%
10 yrs: NGERIA 7.875 02/16/32	9.89%	10.11%	+0.22%
15 yrs: NGERIA 7.696 23/02/38	10.00%	10.45%	+0.45%
30 yrs: NGERIA 9.248 01/21/49	10.36%	10.50%	+0.14%
7.125% ECOTRAN 16/02/26	10.07%	10.07%	(0.00%)

Source: ZENITH UK Runs for 20 March 2024

## Nigerian Equities

The Nigerian equity market experienced a further decline today, primarily influenced by FBNH, which retreated by approximately -9.90% after experiencing the same percentage gain yesterday. Profit-taking was also observed in other stocks such as TRANSCORP (-7.19%) and ZENITHBANK (-0.26%). At the close of trading, the All-Share Index fell by 0.28% to settle at 104,256.81 points. The year-to-date return stood at 39.43%, with market capitalization reported at ₦58.95 trillion.

Trading activity showed mixed trends, with total volume traded increasing by 6.82%, while total value traded declined by 29.69%. Similar to yesterday's session, FBNH emerged as both the top volume and value traded, with 38.76 million units and ₦1.56 billion, respectively. The Banking Index closed negative (-1.79%), while the Consumer Goods (+0.14%), and Oil & Gas (+0.24%) settled bullish. Meanwhile, the Industrial Index closed flat.

**Outlook:** We expect a mixed play at tomorrow's session.

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 4.35% (or ₦67.96) to \$/₦1,492.61 from \$/₦1,560.57 recorded yesterday.

**Outlook:** We expect FX rate to appreciate further.

## Commodities

Oil prices fell today after hitting multi-month highs in the previous session, as investors braced for the U.S. Federal Reserve's interest rate policy announcement later in the day. As of writing time, the Brent crude declined by 1.67% to \$85.92 p/b, while the WTI fell by 2.12% to 81.70%. The price of Gold also witnessed a decline of 0.03% to 2,159.00 ahead of Fed's policy decision.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
NEM	8.80	0.80 ↑	10.00%
CWG	6.05	0.55 ↑	10.00%
JULI	6.50	0.59 ↑	9.98%
INTENEGINS	1.45	0.13 ↑	9.85%
THOMASWY	2.18	0.19 ↑	9.55%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.54	-0.06 ↓	-10.00%
TIP	2.16	-0.24 ↓	-10.00%
FBNH	39.60	-4.35 ↓	-9.90%
VITAFOAM	19.15	-2.10 ↓	-9.88%
BERGER	15.65	-1.70 ↓	-9.80%

Source: NGX, AIICO Capital

Index	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.28%	↑ 0.71%	↑ 4.28%	↑ 39.43%
NSE Banking Index	↓ -1.79%	↑ 6.86%	↑ 16.16%	↑ 9.98%
NSE Insurance Index	↑ 2.09%	↑ 5.55%	↑ 3.88%	↑ 18.71%
NSE Industrial Goods Index	→ 0.00%	↑ 0.24%	↓ -1.55%	↑ 77.35%
NSE Consumer Goods Index	↑ 0.14%	↑ 0.75%	↑ 0.51%	↑ 45.51%
NSE Oil & Gas Index	↑ 0.24%	↑ 0.29%	↓ -0.67%	↑ 24.08%

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