

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Today, system liquidity opened lower at c.₦47.67 billion compared to ₦97.44 billion reported yesterday. As a result, the Open Repo Rate increased by 76bps to 26.43%, while the Overnight Rate increased by 74 bps, to 27.32%.

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

Treasury Bills

The treasury bills market traded with little volatility and settled slightly bullish. Precisely, buying interests were mostly observed on 20 Feb 2025 and 6 March 2025 maturity. At the close of market, average mid-rate stayed relatively flat at 15.65%.

Outlook: Activity is expected to ease tomorrow, as players trade cautiously ahead of MPC meeting next week.

FGN Bonds

Higher yields were observed across various papers in the local bonds market, indicating a degree of uncertainty and hawkish anticipation regarding the upcoming monetary policy rate decision scheduled for next week. Consequently, the average mid-yield increased by c.34 bps to settle at 18.98%.

Outlook: Activity is expected to ease tomorrow, as players trade cautiously ahead of MPC meeting next week.

Eurobonds

The bullish trend persisted in today's session in the Eurobonds market, following the Federal Reserve's decision to maintain rates despite higher-than-expected inflation figures observed in January and February. Additionally, the Fed's forward guidance kept the possibility of a rate cut later in the year open, albeit with caution regarding timing. Both the SSA and North African regions demonstrated a bullish trend throughout the session. Consequently, the Nigerian curve ended on a positive note, with the average mid-yield decreasing by 36 basis points to settle at 9.73%. In other developments, the Swiss National Bank surprised the market today by announcing a 0.25 percentage point reduction in its main policy rate to 1.5%. This decision was motivated by the expectation that national inflation would likely remain below 2% in the foreseeable future. Meanwhile, the Bank of England's rate-setters voted 8-1 to maintain borrowing costs at their 16-year high of 5.25%, as the two officials who had previously advocated for higher rates changed their stance

Outlook: We expect the bullish bias to persist tomorrow.

Date	Sys. Liq. (₦'bn)	Diff.
21-Mar-24	47.67	
20-Mar-24	97.44	↓ (49.77)

Source: CBN

AiICO Money Market Fund (AMMF)

(As of 19th March 2024) 15.0308%

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	*85.54 (-0.48 d/d)

Source: NBS,CBN, AiICO Capital

Benchmark T-Bills Discount Rates			
	21-Mar-24	20-Mar-24	Change in Rates
787 days	16.00%	16.00%	(0.00%)
168 days	16.40%	16.40%	(0.00%)
322 days	17.95%	17.95%	(0.00%)

Source: FMDQ DQL for 21 March 2024

Benchmark FGN Bond Yields			
	21-Mar-24	20-Mar-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.82%	18.11%	(1.71%)
10 yrs: 12.50% 27-Apr-2032	19.89%	19.89%	(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 21 March 2024

Benchmark FGN Eurobond Yields			
	21-Mar-24	20-Mar-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.30%	8.76%	+0.46%
10 yrs: NGERIA 7.875 02/16/32	9.54%	9.89%	+0.35%
15 yrs: NGERIA 7.696 23/02/38	10.00%	10.00%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	10.12%	10.36%	+0.24%
7.125% ECOTRAN 16/02/26	9.92%	10.07%	+0.15%

Source: ZENITH UK Runs for 21 March 2024

Nigerian Equities

The Nigerian equity market concluded on a bullish note, buoyed by buying interest in TRANSCORP (+9.96%), ZENITHBANK (+3.82%), and UBA (+2.47%). By the end of trading, the All-Share Index recorded a gain of 0.13%, settling at 104,387.47 points. The year-to-date return stood at 39.60%, with market capitalization reaching ₦59.02 trillion.

Trading activity exhibited positive trends, with total volume traded increasing by 12.78% and total value traded rising by 35.74%. Notably, UBA led the total volume chart with 63.88 million units, while NESTLE topped the values chart with ₦1.83 billion. The Banking and Industrial Goods Indices appreciated by 2.74% and 0.42%, respectively, while the consumer goods and oil & gas indices lost 0.23% and 0.24%, respectively. Meanwhile, the Oil & Gas Index flattened.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 2.63% (or ₦39.33) to \$/₦1,453.28 from \$/₦1,492.61 recorded yesterday.

Outlook: We expect FX rate to appreciate further.

Commodities

Oil prices experienced a decline following an unexpected drop in U.S. crude stockpiles. At the time of writing, Brent crude decreased by 0.49% to \$85.53 per barrel, and WTI fell by 0.50% to \$80.86 per barrel. Conversely, the price of gold rose by 0.87% to \$2,180.00.

Outlook: We expect oil prices to remain elevated.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
JULI	7.15	0.65	↑ 10.00%
TRANSCORP	14.90	1.35	↑ 9.96%
INTENEGINS	1.59	0.14	↑ 9.66%
ETRANZACT	6.25	0.55	↑ 9.65%
GUINEAINS	0.39	0.03	↑ 8.33%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
DEAPCAP	0.63	-0.07	↓ -10.00%
TOURIST	2.56	-0.28	↓ -9.86%
CWG	5.50	-0.55	↓ -9.09%
CAVERTON	1.60	-0.15	↓ -8.57%
OMATEK	0.80	-0.07	↓ -8.05%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.13%	↑ 0.32%	↑ 4.41%	↑ 39.60%
NSE Banking Index	↑ 2.74%	↑ 7.42%	↑ 19.34%	↑ 13.00%
NSE Insurance Index	↓ -1.49%	↑ 4.37%	↑ 2.33%	↑ 16.94%
NSE Industrial Goods Index	↑ 0.42%	↑ 0.60%	↓ -1.14%	↑ 78.09%
NSE Consumer Goods Index	↓ -0.23%	↓ -0.08%	↑ 0.28%	↑ 45.18%
NSE Oil & Gas Index	↓ -0.24%	↑ 0.05%	↓ -0.91%	↑ 23.79%

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