

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity experienced a deficit balance today, opening at approximately ₦16.28 billion, a significant decrease from the ₦98.84 billion reported yesterday. As a result, the Open Repo Rate rose by 69 bps to 26.29%, while the Overnight Rate saw an increase of 51 bps, reaching 29.96%.

Outlook: We expect the interbank rates to notch higher tomorrow amid recent interest rate decision.

Treasury Bills

Today's trading in the treasury bills market was marked by subdued activity and a bearish tone, influenced by cautious sentiment ahead of the MPC meeting. Consequently, there were notable selloffs observed in the intermediate to long-term segments of the yield curve. As a result, the market concluded bearish, with the average mid-rate increasing by c.19 bps to settle at 15.78%.

Outlook: We expect the bearish bias to heighten tomorrow, given the 200bps hike in interest rate. Accordingly, the stop in tomorrow's auction is expected to close higher than previous auction, as shown in the table below.

AUCTION DATE	TENOR	OFFER AMOUNT (₦)	LAST STOP RATE	EXPECTED STOP RATE RANGE
27-March-24	91-Day	17,606,519,000.00	16.2399%	16.5000 – 17.2000
27-March-24	182-Day	1,560,401,000.00	17.0000%	17.0000 – 18.0000
27-March-24	364-Day	142,162,229,000.00	21.1240%	21.1000 – 22.0000

FGN Bonds

In the initial hours of trading, the FGN local bonds market factored in the possibility of a rate hike. Subsequently, the confirmed tightening of policy by the CBN further pushed yields higher, with trading activity focusing on medium-term maturities. By the end of the trading session, the average mid-yield settled at 19.01%.

Outlook: Activity is expected to be bearish tomorrow, on the back of the outcome of today's MPC meeting.

Eurobonds

Following a subdued beginning, the Eurobonds market showed resilience in today's session, witnessing buying interest across the curve and African papers. However, towards the session's end, profit-taking was noted on Egypt's papers, while other regions largely maintained positivity. Consequently, the Nigerian yield curve wrapped up the session on a bullish note, with the average mid-yield decreasing by approximately 22 basis points to settle at 9.19%.

Outlook: We expect the mixed theme to persist tomorrow.

Date	Sys. Liq. (N'bn)	Diff.
26-Mar-24	-16.28	↓ (115.13)
25-Mar-24	98.85	

Source: CBN

AICO Money Market Fund (AMMF)		
(As of 25th March 2024)		15.0812%

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)	34.26 (+4.11% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*86.39 (-0.41 d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	26-Mar-24	25-Mar-24	Change in Rates
72 days	16.25%	16.25%	(0.00%)
163 days	16.40%	16.40%	(0.00%)
317 days	17.95%	17.95%	(0.00%)

Source: FMDQ DQL for 26 March 2024

Benchmark FGN Bond Yields			
	26-Mar-24	25-Mar-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	20.30%	20.30%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	19.90%	19.90%	(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 26 March 2024

Benchmark FGN Eurobond Yields			
	26-Mar-24	25-Mar-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.06%	8.35%	+0.29%
10 yrs: NGERIA 7.875 02/16/32	9.35%	9.57%	+0.22%
15 yrs: NGERIA 7.696 23/02/38	9.87%	10.04%	+0.17%
30 yrs: NGERIA 9.248 01/21/49	10.00%	10.15%	+0.15%
7.125% ECOTRAN 16/02/26	10.09%	10.17%	+0.08%

Source: ZENITH UK Runs for 26 March 2024

Nigerian Equities

The Nigerian equity market exhibited a mixed theme in today's session, although, settled bearish. The All-Share Index (ASI) declined by 0.18% to reach 103,952.47 points, primarily driven by selloffs in UCAP (-8.75%), FBNH (-3.57%), and MTNN (-1.70%). Consequently, the year-to-date return settled at 39.02%, while market capitalization decreased further to ₦58.78 trillion from ₦58.88 trillion reported the previous day.

Trading activity showed a mixed pattern, with a 22.03% increase in total volume traded but a 0.81% decrease in total value traded. GTCO led both the total volume and value charts with 67.15 million units and ₦3.27 billion, respectively. The Industrial and Consumer Goods Indices declined by 0.01% and 0.12%, respectively, while the NGX Banking Index gained 0.07%. The Oil & Gas Indices flattened.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.78% (or ₦25.09) to \$/₦1,382.95 from \$/₦1,408.04 recorded yesterday.

Outlook: We expect FX rate to appreciate in the interim.

Commodities

Crude oil held steady today as the wars in Eastern Europe and the Middle East disrupt supplies. Currently, Brent crude has declined by 0.48% to reach \$86.33 per barrel, while WTI has lost 0.22% to \$81.77 per barrel. Meanwhile, the price of gold has increased by 0.10% to \$2,200.50.

Outlook: We expect oil prices to remain elevated.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
ABBEYBDS	2.42	0.22	↑ 10.00%
CONHALLPLC	1.44	0.13	↑ 9.92%
JULI	8.63	0.77	↑ 9.80%
MAYBAKER	6.00	0.53	↑ 9.69%
INTENEGINS	1.48	0.13	↑ 9.63%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
UPDC	1.37	-0.15	↓ -9.87%
UCAP	21.90	-2.10	↓ -8.75%
SOVRENINS	0.44	-0.04	↓ -8.33%
FTNCOCOA	1.61	-0.14	↓ -8.00%
LIVESTOCK	1.65	-0.14	↓ -7.82%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.18%	↓ -0.57%	↑ 3.97%	↑ 39.02%
NSE Banking Index	↑ 0.07%	↓ -1.12%	↑ 16.95%	↑ 10.73%
NSE Insurance Index	↑ 0.23%	↑ 5.65%	↑ 7.50%	↑ 22.84%
NSE Industrial Goods Index	↓ -0.01%	↑ 0.46%	↓ -1.10%	↑ 78.16%
NSE Consumer Goods Index	↓ -0.12%	↓ -1.12%	↓ -0.76%	↑ 43.68%
NSE Oil & Gas Index	→ 0.00%	↑ 0.25%	↓ -0.66%	↑ 24.09%

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