

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity remained positive today. However, the Open Repo Rate and Overnight Rate increased by c.143 bps and c.80 bps to 23.00% and 23.94%, respectively.

Outlook: We expect the interbank rates to maintain similar levels tomorrow.

Treasury Bills

The treasury bills market traded actively today, with bargain hunting on several papers, particularly around the long end of the curve. Although, overall sentiments remained bearish. At the closing bell, the average mid-rate increased by c.61 bps to settle at 15.80%.

Outlook: *The mixed to bearish bias is expected to persist.*

FGN Bonds

The FGN local bonds market exhibited a calm session today, with minimal activity around several papers, including 2027s, 2038s, and 2053s papers. During the session, selling interests displayed stronger momentum. Consequently, market closed bearish, and the average mid-yield increased by 3bps to settle at 17.40%.

Outlook: We expect some sideways activity at tomorrow's session.

Eurobonds

The outcome US Core PCE Index (Fed's preferred inflation measure) was at par with market estimate. However, it implies an increase in inflation when compared to the preceding period. Accordingly, market reacted with selling interests across the curve. At the close of market, Nigeria's average mid-yield increased by 2bps to close at 9.80%.

Outlook: We expect a similar performance tomorrow.

Date	Sys. Liq. (₦'bn)	Diff.
29-Feb-24	136.16	0.00
28-Feb-24	136.16	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 28th February 2024)	13.7743%
Added Benefit	Personal accident insurance cover
Macro Indicators	
GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (January'2024)	29.90% (Dec'23: 28.92%)
External Reserve (US\$'billion)	33.52 (+1.84% YTD)
Monetary Policy Rate	22.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*84.09 (+0.53 d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	29-Feb-24	28-Feb-24	Change in Rates
70 days	14.69%	14.69%	(0.00%)
147 days	15.72%	15.72%	(0.00%)
287 days	17.61%	17.61%	(0.00%)

Source: FMDQ DQL for 29 February 2024

Benchmark FGN Bond Yields			
	29-Feb-24	28-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	17.19%	17.10%	(0.09%)
10 yrs: NGERIA 12.50% 27-Apr-2032	17.72%	17.72%	(0.00%)
20 yrs: NGERIA 13.00% 21-Jan-2042	17.52%	17.52%	(0.00%)
30 yrs: NGERIA 12.98% 27-Mar-2050	18.01%	18.01%	(0.00%)

Source: FMDQ DQL for 29 February 2024

Benchmark FGN Eurobond Yields			
	29-Feb-24	28-Feb-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.20%	9.15%	(0.05%)
10 yrs: NGERIA 7.875 02/16/32	9.98%	9.95%	(0.03%)
15 yrs: NGERIA 7.696 23/02/38	10.25%	10.29%	+0.04%
30 yrs: NGERIA 9.248 01/21/49	10.25%	10.25%	(0.00%)
7.125% ECOTRAN 16/02/26	10.31%	10.29%	(0.02%)

Source: ZENITH UK Runs for 29 February 2024

Nigerian Equities

The Nigerian equity market partly rebounded today, as some investors bought into the pull-back, particularly in the banking sector (+6.14%). At the close of the session, the All-Share Index (ASI) appreciated by 0.72% to settle at 99,980.30 points, with the year-to-date return easing to 33.71% and total market capitalization valued at ₦54.70 trillion.

Trading activity was positive with +37.03% and +49.27% in total volume and value traded, respectively. UBA led both the volume chart with 93.71 million units and the values chart with ₦2.08 billion. The Consumer Goods and Oil & Gas Indices declined by 0.19% and 0.33%, respectively, while the Industrial Goods Index flattened.

Outlook: *We expect momentum to ease tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.89% (or ₦14.40) to \$/₦1,595.11 from \$/₦1,609.51 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil on pace for monthly gain as OPEC+ expected to extend cuts, inflation rises as expected. Brent crude reached \$83.72 per barrel, while West Texas Intermediate (WTI) stood at \$78.56 per barrel at the time of reporting. Gold hits 1-month high at \$2,055.10 per ounce as dollar dips after U.S. PCE data.

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

Top 5 Equity Advancers					
Name (Symbol)	Closing Price	Gain(N)		% Change	
GTCO	39.60	3.60	↑	10.00%	
NEM	6.60	0.60	↑	10.00%	
JULI	3.41	0.31	↑	10.00%	
UBA	22.55	2.05	↑	10.00%	
CHAMPION	3.42	0.31	↑	9.97%	

Source: NGX, AIICO Capital

Top 5 Equity Decliners					
Name (Symbol)	Closing Price	Loss(N)		% Change	
SUNUASSUR	1.71	-0.19	↓	-10.00%	
ETERNA	14.25	-1.55	↓	-9.81%	
CWVG	5.55	-0.60	↓	-9.76%	
MORISON	1.51	-0.16	↓	-9.58%	
CADBURY	19.00	-2.00	↓	-9.52%	

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.72%	↓ -1.24%	↓ -1.16%	↑ 33.71%
NSE Banking Index	↑ 6.14%	↓ -2.56%	↓ -2.01%	↓ -5.32%
NSE Insurance Index	↑ 1.26%	↓ -4.56%	↓ -6.08%	↑ 14.27%
NSE Industrial Goods Index	↓ 0.00%	↓ -0.45%	↓ -13.33%	↑ 80.15%
NSE Consumer Goods Index	↓ -0.18%	↑ 0.95%	↑ 16.45%	↑ 44.78%
NSE Oil & Gas Index	↓ -0.33%	↓ -0.70%	↑ 4.14%	↑ 24.92%

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