

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity saw a significant increase of +437.99%, rising from ₦104.61 billion reported yesterday to ₦562.79 billion today. However, both the Open Repo Rate and the Overnight Rate experienced upward movements, with the Open Repo Rate rising by 187 bps to 25.34% and the Overnight Rate increasing by 26 bps, settling at 25.18%.

Outlook: We expect rates to hover at similar bands tomorrow.

Treasury Bills

The treasury bills market commenced today's session with a subdued atmosphere, influenced by the notice of an OMO Bills auction. At the primary market, the CBN offered a total of ₦500.00 billion worth of OMO Bills spanning across short, medium, and long-dated papers. Despite receiving bids totalling ₦1.2 trillion, the CBN sold ₦666.65 billion, exceeding the offered size by 33.33%. The stop rates for short- and medium-term papers remained unchanged at 19.00% and 19.50%, respectively, compared to the previous auction. However, there was a slight decrease of approximately 37.5bps in the stop rate for the long-dated paper, dropping to 21.125% from 21.50% in the previous auction. By the close of trading, the market exhibited a bearish sentiment, resulting in an increase of approximately 168bps in the average mid-rate, reaching 17.43%.

Outlook: We expect a mixed theme in tomorrow's session.

FGN Bonds

The domestic bonds market ended the session with a slight bullish tone, marked by buying interest noted on bonds maturing in 2028, 2029, 2031, and Feb 2034. Earlier today, there was selling pressure evident across various bonds, likely stemming from yesterday's release of the Q2'2024 FGN bonds issuance calendar. Overall, the average mid-yield experienced a marginal uptick of 1 bps, settling at 18.78%.

Outlook: We expect the mixed theme to linger tomorrow.

Eurobonds

Trading in the Eurobonds markets exhibited a mixed tone, influenced partly by domestic factors and the release of hotter-than-expected US ADP employment data, showing an addition of 184k jobs in March (Est. 155k), up from 155k in February. In the Nigerian and Angolan sectors, the market opened with mixed sentiments but closed on a bullish note, while Ghana's dollar market began bearishly but ended with mixed sentiments. Egypt maintained a bullish stance throughout the session. By the session's close, the Nigerian Eurobonds market saw a slight bullish trend, marked by a 5-bps decline in the average mid-yield to 9.54%.

Outlook: We expect increased volatility tomorrow, subject to surprise statements from the Fed speakers tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
3-Apr-24	562.79	↑ 458.18
2-Apr-24	104.61	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 28th March 2024)	15.7795%

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)	33.88 (+2.96% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*88.50 (+1.29 d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	03-Apr-24	02-Apr-24	Change in Rates
85 days	14.90%	14.90%	(0.00%)
176 days	16.28%	17.00%	+0.72%
323 days	18.55%	18.55%	(0.00%)

Source: FMDQ DQL for 03 April 2024

Benchmark FGN Bond Yields			
	03-Apr-24	02-Apr-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.05%	19.84%	+0.79%
10 yrs: NGERIA 7.875 02/16/32	19.91%	19.91%	(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 03 April 2024

Benchmark FGN Eurobond Yields			
	03-Apr-24	02-Apr-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.44%	8.44%	(0.00%)
10 yrs: NGERIA 7.875 02/16/32	9.72%	9.94%	+0.22%
15 yrs: NGERIA 7.696 23/02/38	10.26%	10.46%	+0.20%
30 yrs: NGERIA 9.248 01/21/49	10.30%	10.45%	+0.15%
7.125% ECOTRAN 16/02/26	9.81%	9.80%	(0.01%)

Source: ZENITH UK Runs for 03 April 2024

Nigerian Equities

The Nigerian equity market settled bearish today due to significant profit taking in the banking tickers, particularly the tier 1 banks: ACCESSCORP (-4.20%), UBA (-1.79%), ZENITHBANK (-1.23%), and GTCO (-1.23%). Consequently, the All-Share Index (ASI) lost 0.32% to settle at 104,181.32 points, while year-to-date returns and market capitalization settled at 39.33% and ₦58.91 trillion, respectively.

Total volume and value traded declined by 25.75% and 39.04%, respectively. ACCESSCORP led the volume chart with 50.00 million units while ZENITHBANK led the values chart with ₦1.86 billion. The Banking Index declined by 2.36%, while the Industrial and Consumer Goods Indices appreciated by 0.01% and 0.16%, respectively. The Oil & Gas Index remained unchanged.

Outlook: We expect the bearish theme to resurface tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 1.23% (or ₦15.73) to \$/₦1,262.85 from \$/₦1,278.58 recorded yesterday.

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

Commodities

Today saw a rise in crude oil prices, extending a recent trend of gains following an OPEC+ committee meeting that concluded without suggesting alterations to production policy. Brent crude surged by 0.92% to \$89.74 per barrel, and WTI climbed by 0.87% to \$85.89 per barrel. Likewise, gold prices experienced an increase of 1.03%, reaching \$2,305.20.

Outlook: We expect oil prices to remain elevated.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
UPL	2.68	0.24 ↑	9.84%
SCOA	2.15	0.19 ↑	9.69%
MORISON	1.93	0.17 ↑	9.66%
CUTIX	2.85	0.25 ↑	9.62%
MBENEFIT	0.70	0.06 ↑	9.38%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
INTENEGINS	1.44	-0.16 ↓	-10.00%
CAVERTON	1.62	-0.18 ↓	-10.00%
THOMASWY	1.97	-0.21 ↓	-9.63%
NEM	8.95	-0.95 ↓	-9.60%
TANTALIZER	0.38	-0.04 ↓	-9.52%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.32%	↓ -0.10%	↓ -0.36%	↑ 39.33%
NSE Banking Index	↓ -2.36%	↓ -1.84%	↓ -2.43%	↑ 11.97%
NSE Insurance Index	↓ -2.07%	↑ 1.86%	↓ -0.73%	↑ 25.28%
NSE Industrial Goods Index	↑ 0.01%	↑ 0.00%	↓ -0.11%	↑ 78.29%
NSE Consumer Goods Index	↑ 0.16%	↑ 0.23%	↑ 0.14%	↑ 43.86%
NSE Oil & Gas Index	→ 0.00%	→ 0.00%	→ 0.00%	↑ 24.09%

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