

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Following the settlement of the OMO auction, system liquidity experienced a shortfall, leading to a decrease of 206.44% to - ₦599.05 billion from ₦562.79 billion recorded the previous day. However, both the Open Repo Rate and the Overnight Rate decreased, with the Open Repo Rate contracting by 153 bps and the Overnight Rate by 2 bps to 21.81% and 25.16%, respectively.

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

Treasury Bills

In today's trading session, the treasury bills market leaned towards a bearish trend, albeit with less intensity. Selling pressure was evident on various bills, particularly the November 2024 and February 2025 papers. Overall, the average mid-rate experienced a slight uptick to settle at 17.44%.

Outlook: We expect the bearish sentiment to persist.

FGN Bonds

The bonds market continued its bullish momentum, driven by ongoing buying interest carried over from yesterday's trading. This was particularly evident in the increased buying interest for maturities such as 2029, 2033, and February 2034. By the closing bell, the average mid-yield had decreased by 12 bps, reaching 18.66%.

Outlook: We expect market to drift bearish tomorrow amid the liquidity crunch.

Eurobonds

The Eurobonds markets exhibited a bullish stance, fuelled by overall positive sentiments regarding prevailing indicators and the near-term outlook. Mid-day saw the U.S Initial Jobless claims data at 221k (Est. 213k), slightly exceeding the upwardly revised 212k from the previous data. This positive momentum extended to Sub-Saharan African papers and Egypt's sovereign credits, remaining bullish until the close of trading. Consequently, the average mid-yield for the Nigerian curve decreased by 20 basis points to 9.34%.

Outlook: Considering that most Fed's officials will be speaking at evening hour (Nigerian Time), tomorrow's sentiment could be triggered by any surprise statements. In addition, the U.S Nonfarm payroll would play a crucial role in tomorrow's performance. As of writing, market expect a slight drop in both Non-farm payroll and unemployment rate.

Date	Sys. Liq. (₦bn)	Diff.
4-Apr-24	-599.05	↓ (1,161.85)
3-Apr-24	562.79	

Source: CBN

AICO 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)	33.57(+2.00% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*89.15 (-0.22 d/d)

Source: NBS,CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	04-Apr-24	03-Apr-24	Change in Rates
84 days	16.41%	14.90%	(1.51%)
175 days	16.28%	16.28%	(0.00%)
322 days	18.55%	18.55%	(0.00%)

Source: FMDQ DQL for 04 April 2024

Benchmark FGN Bond Yields			
	04-Apr-24	03-Apr-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.05%	19.05%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	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 04 April 2024

Benchmark FGN Eurobond Yields			
	04-Apr-24	03-Apr-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.19%	8.44%	+0.25%
10 yrs: NGERIA 7.875 02/16/32	9.50%	9.72%	+0.22%
15 yrs: NGERIA 7.696 23/02/38	10.04%	10.26%	+0.22%
30 yrs: NGERIA 9.248 01/21/49	10.13%	10.30%	+0.17%
7.125% ECOTRAN 16/02/26*	9.36%	9.81%	+0.45%

Source: ZENITH UK Runs for 04 April 2024

Nigerian Equities

The Nigerian equity market continued its bearish bias today, with persistent selloffs in the banking sectors. Consequently, the All-Share Index (ASI) lost 0.43% to settle at 103,736.08 points, while year-to-date returns and market capitalization settled at 38.73% and ₦58.65 trillion, respectively.

Total volume and value traded increased by 20.42% and 75.57%, respectively. ZENITHBANK led both the volume chart with 161.68 million units and values chart with ₦7.03 billion. The Banking and Industrial Indices declined by 2.67% and 0.09%, respectively. The Consumer Goods Index appreciated by 0.46%, following the uptick on DANGSUGAR (+6.26%) and ETI (+6.12%). 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 0.62% (or ₦7.78) to \$/₦1,255.07 from \$/₦1,262.85 recorded yesterday.

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

Commodities

Profit taking drove oil prices downward today, after advancing over 2% this week. Brent crude lost 0.11% to \$89.25 per barrel, and WTI climbed by 0.29% to \$85.17 per barrel. Likewise, gold prices fell by 0.08%, reaching \$2,313.20.

Outlook: We expect oil prices to remain elevated.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
MORISON	2.12	0.19 ↑	9.84%
SCOA	2.36	0.21 ↑	9.77%
INTENEGINS	1.58	0.14 ↑	9.72%
NEM	9.80	0.85 ↑	9.50%
TIP	2.50	0.20 ↑	8.70%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CILEASING	3.50	-0.38 ↓	-9.79%
MBENEFIT	0.64	-0.06 ↓	-8.57%
TANTALIZER	0.35	-0.03 ↓	-7.89%
UNITYBNK	2.13	-0.17 ↓	-7.39%
JAIZBANK	2.18	-0.17 ↓	-7.23%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.43%	↓ -0.79%	↓ -0.79%	↑ 38.73%
NSE Banking Index	↓ -2.67%	↓ -5.04%	↓ -5.04%	↑ 8.98%
NSE Insurance Index	↑ 0.43%	↓ -0.30%	↓ -0.30%	↑ 25.82%
NSE Industrial Goods Index	↓ -0.09%	↓ -0.20%	↓ -0.20%	↑ 78.13%
NSE Consumer Goods Index	↑ 0.46%	↑ 0.60%	↑ 0.60%	↑ 44.52%
NSE Oil & Gas Index	→ 0.00%	→ 0.00%	→ 0.00%	↑ 24.09%

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