

Daily Financial Market Update

AIICO CAPITAL
www.ailocapital.com


/ ailocapitalng

MARKET COMMENTARY

Money Market

Opening system liquidity fell short at -₦537.25 billion, from ₦67.39 billion seen last week Friday. Overall, the Open Repo Rate (OPR) fell by 17 bps to 29.50%, while the Overnight Rate (O/N) increased by 31 bps, to 30.38%.

Outlook: We expect interbank rates to stay elevated in the interim.

Treasury Bills

The treasury bills market opened the week bearish. To elucidate, market traded actively across board, particularly November 2024, February, and March 2025. Consequently, the average mid-rate increased by 101 bps, to close at 18.09%.

Outlook: We expect the bearish sentiment to resurface tomorrow.

FGN Bonds

The FGN domestic bonds market stayed quiet, mainly because investors turned their attention to the primary market. The Debt Management Office (DMO) offered a total of ₦450.00 billion across the Apr 2029 (NEW), Feb 2031, and 2034 bonds, but ended up selling approximately ₦626.81 billion across the three tenors, with subscriptions totalling over ₦920.09 billion. As a result, there was only minimal interest noted in the 2029 and 2038 maturities. Nonetheless, average mid-yield remained unaltered at 18.75%.

Outlook: We expect the market to trend mixed to bullish, following the decline in stop rates across all tenors.

Eurobonds

During today's trading session, the Eurobond market exhibited a bearish trend. The selling pressure was fueled by the release of US retail sales data for March, which surpassed expectations at 0.70% compared to the anticipated 0.30%. Consequently, the African bond market leaned towards a bearish bias, leading to a 19 basis points increase in Nigeria's average mid-yield, closing at 9.78%.

In other news, Ghana has encountered obstacles in reaching an agreement with two groups of bondholders to restructure \$13 billions of international bonds. This setback hampers Ghana's efforts to swiftly recover from default and economic challenges. Talks have been suspended temporarily after the International Monetary Fund suggested that the proposed deal did not align with its debt sustainability criteria, which assesses a country's ability to manage its debt burden, as stated by the government in a released statement.

Outlook: We expect the bearish sentiment to subside tomorrow.

AIICO Money Market Fund (AMMF)

(As of 12th April 2024) 15.3209%

Date	Sys. Liq. (₦'bn)	Diff.
15-Apr-24	-537.25	
12-Apr-24	67.39	↓ (604.64)

Source: CBN

Macro Indicators

GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (March'2024)	33.20% (Feb'24: 31.70%)
External Reserve (US\$'billion)	33.04 (+0.39% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*88.89 (-1.72 d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	15-Apr-24	12-Apr-24	Change in Rates
73 days	16.41%	16.41%	→ 0.00%
164 days	16.28%	16.28%	→ 0.00%
311 days	18.55%	18.55%	→ 0.00%

Source: FMDQ DQL for 15 April 2024

Benchmark FGN Bond Yields

	15-Apr-24	12-Apr-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.06%	19.06%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	19.84%	19.85%	↓ -0.01%
20 yrs: 13.00% 21-Jan-2042	18.68%	18.69%	↓ -0.01%
30 yrs: 12.98% 27-Mar-2050	18.30%	18.30%	→ 0.00%

Source: FMDQ DQL for 15 April 2024

Benchmark FGN Eurobond Yields

	15-Apr-24	12-Apr-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.59%	8.41%	↑ 0.18%
10 yrs: NGERIA 7.875 02/16/32	10.00%	9.82%	↑ 0.18%
15 yrs: NGERIA 7.696 23/02/38	10.50%	10.28%	↑ 0.22%
30 yrs: NGERIA 9.248 01/21/49	10.45%	10.28%	↑ 0.17%
7.125% ECOTRAN 16/02/26*	9.30%	9.30%	→ 0.00%

Source: ZENITH UK Runs for 15 April 2024

Nigerian Equities

The Nigerian Equity market continued its bearish streak at the start of the week, with sustained profit taking across several bellwether tickers, particularly the banking sector. Thus, the All-Share Index lost 0.53% to settle at 101,777.12 points, while the year-to-date return and market capitalization was reported at 36.11% and ₦57.56 trillion, respectively.

All sectorial indices closed flat, except the Banking Index which shed 3.83%. UBA led the total volume charts with 42.25 million units, while MTNN topped the value chart with ₦1.10 billion in value.

Outlook: We expect the bearish trend to linger tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦6.34 (or 0.55%) to \$/₦1,136.04 compared to \$/₦1,142.38 recorded last week Friday.

Outlook: We expect exchange rate to stabilize in the near term.

Commodities

U.S. crude oil trended lower today, as traders breathed a sigh of relief after Israel fended off a large-scale air assault by Iran and the U.S. emphasized it wants to avoid a wider war in the Middle East. Brent crude fell by 1.08% to \$89.45 per barrel, while WTI shed by 1.18% decrease to \$84.65 per barrel. Similarly, the price of gold declined by 0.45%, to \$2,363.40 per ounce.

Outlook: We expect the volatility to ease in the interim, pending any further escalation.

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
UPDC	1.43	0.13	↑ 10.00%
MORISON	2.81	0.25	↑ 9.77%
NEM	10.40	0.85	↑ 8.90%
DAARCOMM	0.70	0.05	↑ 7.69%
OANDO	13.40	0.85	↑ 6.77%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
FIDELITYBK	9.00	-1.00	↓ -10.00%
JAIZBANK	2.05	-0.22	↓ -9.69%
RTBRISCOE	0.54	-0.05	↓ -8.47%
GTCO	38.20	-3.20	↓ -7.73%
UNIVINSURE	0.36	-0.03	↓ -7.69%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.53%	↓ -1.61%	↓ -2.66%	↑ 36.11%
NSE Banking Index	↓ -3.83%	↓ -10.77%	↓ -16.78%	↓ -4.49%
NSE Insurance Index	→ 0.00%	↓ -2.45%	↓ -3.28%	↑ 22.06%
NSE Industrial Goods Index	→ 0.00%	↓ -0.23%	↓ -0.50%	↑ 77.60%
NSE Consumer Goods Index	→ 0.00%	↓ -1.33%	↓ -0.40%	↑ 43.08%
NSE Oil & Gas Index	→ 0.00%	↓ -0.28%	↓ -0.28%	↑ 23.75%

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.