

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity plunged further into a deficit balance, reporting at ~~₦~~1,292.21 billion, from ~~₦~~637.75 billion reported yesterday. As a result, the Open Repo Rate (OPR) increased by 170 bps to 32.09%, while the Overnight Rate (O/N) increased by 198 bps, to 33.34%.

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

Treasury Bills

The treasury bills market closed bearish in today's session, maintaining similar posture from yesterday's performance, due to the liquidity crunch. Consequently, average mid-yield increased by 42bps to 21.36%.

Outlook: We expect the bearish bias to persist tomorrow.

FGN Bonds

In similar fashion, the FGN local bonds market witnessed a bearish sentiment, although, slight bids came in for select papers, especially the 2037 and 2053 papers, ahead of the coupon inflows on April 2037 maturity. However, average mid-yield flattened.

Outlook: We expect tomorrow's session to trend quietly mixed.

Eurobonds

The Eurobonds market eased off its losses in today's trading activity, as buyers cherry-picked papers at attractive yield levels. The SSA and North African papers witnesses a similar trend. Overall, average mid-yield declined by 21bps to close at 9.93%.

Outlook: We expect the bearish sentiment to persist tomorrow.

AIICO Money Market Fund (AMMF)

(As of 15th April 2024) 15.2036%

Date	Sys. Liq. (₦'bn)	Diff.
17-Apr-24	-1,292.21	
16-Apr-24	-637.75	↓ (654.46)

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)	32.61 (+0.91% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*89.25 (-0.86 d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	17-Apr-24	16-Apr-24	Change in Rates
71 days	16.41%	16.41%	→ 0.00%
162 days	16.28%	16.28%	→ 0.00%
309 days	18.55%	18.55%	→ 0.00%

Source: FMDQ DQL for 17 April 2024

Benchmark FGN Bond Yields

	17-Apr-24	16-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	19.85%	19.85%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	18.69%	18.69%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.30%	18.30%	→ 0.00%

Source: FMDQ DQL for 17 April 2024

Benchmark FGN Eurobond Yields

	17-Apr-24	16-Apr-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.93%	8.93%	→ 0.00%
10 yrs: NGERIA 7.875 02/16/32	10.36%	10.36%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.81%	10.81%	→ 0.00%
30 yrs: NGERIA 9.248 01/21/49	10.67%	10.67%	→ 0.00%
7.125% ECOTRAN 16/02/26*	9.30%	9.30%	→ 0.00%

Source: ZENITH UK Runs for 17 April 2024

Nigerian Equities

The local bourse began the session bullish, with some investors showing sizeable interests on several tickers in the insurance and banking sector. However, sellers increased momentum before the closing bell, leading the All-Share Index to gain some 0.10% to settle at 99,908.89 points, while the year-to-date return and market capitalization was printed at 33.61% and ₦56.50 trillion, respectively, at the close of market.

The Banking index increased by 1.10% while the Consumer Goods Index declined by 0.05%. Meanwhile, the Industrial and Oil & Gas Indices closed flat. Also, the Oil & Gas Index flattened. UBA and ZENITHBANK led the total volume and values chart with 55.01 million units and ₦1.69 billion.

Outlook: *We anticipate a respite in the near term.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦74.40 (or 6.57%) to \$/₦1,072.74 compared to \$/₦1,148.14 recorded yesterday.

Outlook: *We expect exchange rate to hover at similar bands tomorrow.*

Commodities

U.S. crude oil dropped for the third consecutive trading session today, dipping below \$85 a barrel as the market dismissed the risk of a wider war between Israel and Iran that could disrupt supplies. Brent crude fell by 2.46% to \$87.81 per barrel, while WTI decreased by 2.46% to \$83.25 per barrel. Similarly, the price of gold fell by 0.32%, to \$2,400.90 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain (N)	% Change
IKEJAHOTEL	7.26	0.66	↑ 10.00%
FIDELITYBK	8.90	0.80	↑ 9.88%
ACADEMY	1.91	0.17	↑ 9.77%
MORISON	3.39	0.30	↑ 9.71%
PRESTIGE	0.59	0.05	↑ 9.26%

Source: NGX, AICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss (N)	% Change
LIVESTOCK	1.44	-0.16	↓ -10.00%
CWG	6.45	-0.70	↓ -9.79%
INTENEGINS	1.29	-0.14	↓ -9.79%
FTNCOCOA	1.30	-0.14	↓ -9.72%
AFRIPRUD	6.25	-0.65	↓ -9.42%

Source: NGX, AICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.10%	↓ -3.05%	↓ -4.45%	↑ 33.61%
NSE Banking Index	↑ 1.10%	↓ -12.64%	↓ -20.70%	↓ -8.99%
NSE Insurance Index	↑ 0.58%	↓ -5.57%	↓ -6.38%	↑ 18.16%
NSE Industrial Goods Index	↓ 0.00%	↓ -2.93%	↓ -3.19%	↑ 72.79%
NSE Consumer Goods Index	↓ -0.05%	↓ -2.12%	↓ -1.46%	↑ 41.56%
NSE Oil & Gas Index	→ 0.00%	↓ -0.28%	↓ -0.28%	↑ 23.75%

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