MONTHLY MARKET REPORT
MARCH 2024

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REPORT SUMMARY

Review

- Global Macros: Major Central Banks kept Interest rates unchanged, with rates cuts in view.
- Nigeria's Macros: Trade surplus, ballooned debt profile, banking recapitalization, naira appreciation, and worsened Inflation
- Money Market: Persistent liquidity crunch due to CBN's tightening measures.
- Treasury bills: The CBN's hawkish policies fuelled more bearish theme.
- FGN Bonds: Uptick in yields, stimulated by CBN's assertive actions.
- Nigeria's equity: Surge in ASI driven by Banking Sector and TRANSPOWER Debut.
- Nigeria's Eurobonds: Mixed to bullish theme, amid the Fed's interest rate decision.

Outlook

- Global Economy: Economic growth is expected to show signs of weakness in the near term.
- Nigeria's Macros: Inflation rate may decline in the near term. This is hinged on the progress in the FX market and contractionary policies.
- Money Market: CBN's tightening approach could sustain the historically high levels in interbank rates.
- Treasury Bills: Rates should remain elevated, due to the CBN's hawkish stance.
- FGN Bonds: Similar trend could resurface in April, owing to weak liquidity and uncertainty in subsequent bond auctions
- Nigeria's Equity: More attention would be shifted towards the banking sector in April, given the recent review on minimum capital requirement.
- Nigeria's Eurobonds: The trend in U.S inflation would be clearer in April, and useful for policy projections.

GLOBAL MACROECONOMIC REVIEW

United States: In February, consumer prices in the United States surpassed expectations, rising to 3.20% year-on-year (Est. 3.10%) from 3.10% in January 2024. Core CPI, which excludes food and energy prices, increased by 0.40% month-on-month and 3.80% year-on-year, exceeding expectations by 1%. Various factors including travel, real estate, vehicle insurance, leisure activities, and clothing contributed to upward pressure on core inflation. However, figures related to shelter and rent moderated from the spike observed in January, alleviating concerns about an upward trend in housing.

Despite recent inflationary trends, the Federal Reserve downplayed the data and maintained the interest rate at 5.25-5.50% for the fifth consecutive time since July 2023, while indicating an outlook for three interest rate cuts this year. Although specific dates for rate cuts were not provided, the Fed reiterated the likelihood of the first reduction occurring sometime within the year. In response, traders increased the probability of a June rate cut, with market expectations for a rate cut in June at 70%, slightly higher than before.

US, UK, Euro Area and China

GDP	Q4'23	3.40%	Q4'23	-0.30%	Q4'23	0.00%	Q4'23	5.20%
	Q3'23	4.90%	Q3'23	-0.30%	Q3'23	-0.10%	Q3'23	4.90%
	Q4'22	2.60%	Q4'22	0.10%	Q4'22	1.90%	Q4'22	2.90%
MONETARY/ BANK RATE	Mar'24	5.50%	Mar'24	5.25%	Mar'24	4.50%	Mar'24	3.45%
	Feb'23	5.50%	Feb'24	5.25%	Feb'24	4.50%	Feb'24	3.45%
	Mar'23	5.00%	Mar'23	4.25%	Mar'23	3.50%	Mar'23	3.65%
INFLATION RATE	Feb'24	3.20%	Feb'24	3.40%	Feb'24	2.60%	Feb'24	0.70%
	Jan'24	3.10%	Jan'24	4.00%	Jan'24	2.80%	Jan'24	-0.80%
	Feb'23	6.00%	Feb'23	10.40%	Feb'23	8.50%	Feb'23	1.00%

Source: Bloomberg, Trading Economics, Investing.com, AIICO Capital

United Kingdom: The Bank of England (BoE) moved closer to cutting rates in the coming months. Among committee members, eight voted to keep rates unchanged, while one member supported a 25 basis points rate cut. Additionally, the Bank hinted at a potential shift in policy in the future, acknowledging the possibility of maintaining restrictive policies even if rates are cut, signalling an imminent rate reduction.

Furthermore, the BoE projected CPI inflation to slightly fall below the 2% target in Q2'2024, slightly weaker than previously anticipated due to an extended fuel duty cut introduced by Rishi Sunak in 2022. Recent data showed UK CPI growing at a slower pace of 3.40% year-on-year in February (Est. 3.50%), down from 4.00% in January, marking the slowest inflation rate since September 2021. Moreover, the BoE expects output to resume growth during H1'2024 after experiencing a decline in H2'2023. In Q4'2023, economic activities contracted by 0.30% following a 0.10% decline in Q3'2023, attributed to reduced household consumption and negative net exports.

GLOBAL MACROECONOMIC REVIEW

Euro Area: The European Central Bank (ECB) maintained its interest rate on main refinancing operations at 4.50% for the fourth consecutive time following ten rate hikes that raised the interest rate from 0.00% in June 2022. Market expectations suggest that the ECB will maintain rates in April's meeting, with the first rate cut likely to occur in June, according to the latest Reuters poll. The ECB staff downwardly revised inflation expectations to an average of 2.3% in 2024 from 2.70%, and to 2.0% in 2025 from 2.10%. The ECB anticipates inflation to continue its downward trend in the coming months, including core inflation, which has been revised to 2.60% for 2024 (from 2.70%) and 2.10% for 2025 (from 2.30%).

Headline inflation in the Euro Area for February stood at 2.60%, in line with market expectations and lower than 2.80% in January. Additionally, the region's core inflation declined to 3.10% in February, marking the seventh consecutive drop since July 2023. The ECB projects economic growth of 0.60% in 2024, down from the initial forecast of 0.80%, attributed to the impact of past rate hikes on overall demand. Despite this, the staff expects the Euro Area's economy to rebound and grow at 1.50% and 1.60% in 2025 and 2026, respectively. Recent data from EUROSTAT revealed that GDP growth in the Euro Area was +0.1% in Q4'2024. Market expectations indicate the European economy is projected to grow at 0.10% in Q1'2024, as per the initial estimate

China: After surpassing its 5.00% growth target in 2023 with a growth rate of 5.20%, China set a similar growth target for 2024 and announced the issuance of "ultra-long" special bonds for major projects. As anticipated, the People's Bank of China maintained benchmark lending rates unchanged at the March fixing.

Additionally, due to robust spending during the Lunar New Year holiday, consumer prices in the country increased by 0.70% year-on-year in February, up from -0.80% in January, marking the first consumer inflation since August 2023. Similarly, core inflation increased to 1.20% year-on-year, the highest since January 2023.

Japan: The Bank of Japan ended an era of negative interest rates, symbolically transitioning from -0.1% to 0-0.10%. The Bank also scrapped its complex yield curve control program while committing to continue buying long-term government bonds, amounting to about 6 trillion yen per month. Furthermore, the BoJ announced the cessation of purchasing Exchange Traded Funds (ETFs) and a reduction in the purchase of commercial paper and corporate bonds. BoJ Governor Kazuo Ueda hinted at the possibility of increasing short-term interest rates if inflation accelerates further. Japan's inflation increased to 2.80% year-on-year in February, up from 2.20% in January, marking the first acceleration since October 2023. Core inflation also rose to 2.80% from 2.00% in the previous month.

Finally, the Japanese economy narrowly avoided recession, growing by 0.10% in Q4'2024 (final estimate) following the upward revision of capital expenditure, after initially reporting a -0.10% contraction.

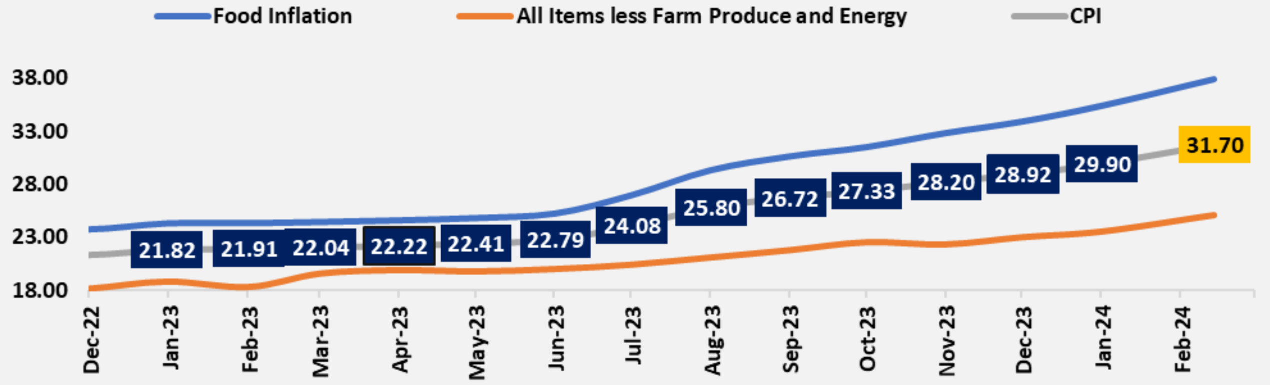
The CBN's Score Sheet for Q1'2024: Progress on FX Market, albeit worsened CPI rate.

The Central Bank of Nigeria (CBN) maintained its stance on policy tightening during the March Monetary Policy Committee (MPC) meeting. Following a 400bps increase in the Monetary Policy Rate (MPR) in February, the committee voted to raise interest rates further by 200bps to 24.75%. Adjustments were also made to the Standard Deposit Facility (SDF) and Cash Reserve Ratio (CRR), with the Asymmetric corridor tightened to +100/-300 bps from +100/-700 bps around the MPR, and the CRR for Merchant Banks raised from 10% to 14%. The CRR on Deposit Money Banks and Liquidity Ratio remained at 45.00% and 30.00%, respectively.

The CBN also reaffirmed its commitment to stabilizing the Foreign Exchange (FX) market and targeting an inflation rate of 21.40% by the end of 2024. To achieve this, the CBN implemented various measures such as selling FX to Bureau de Change (BDCs) and conducting auctions for Nigerian Treasury Bills (NTB) and Open Market Operations (OMO) at attractive yield levels. These actions were reflected in increased foreign participation in the Nigerian financial market, including a notable rise in diaspora remittances to $1.3 billion in February 2024, compared to $300 million in January. Additionally, the CBN conducted a special bonds auction, primarily aimed at clearing the $1.50 billion residual balance of FX backlogs.

Despite positive external factors such as increased foreign receipts from crude oil sales at elevated prices in the international market, Nigeria's inflationary pressures persisted. In February, headline inflation reached 31.70% year-on-year, up from 29.90% in January, and 3.12% month-on-month, up from 2.64% in January. Both food and core inflation accelerated during the same period, albeit with a slight decline in monthly core inflation, marking the first decrease since October 2023.

Looking ahead, consumer prices may start to decline due to currency appreciation and stability in the foreign exchange market, coupled with high borrowing costs that could dampen business activities and ease demand. However, a drastic improvement in inflation is not expected, with yearly figures projected to remain elevated. Attention will also be directed towards crude oil prices and the implementation of policies aimed at increasing supply and distribution across the bloc to mitigate further inflationary pressures.



Source: NBS, AIICO Capital

Trade Surplus in 2023 | Ripple Impact on Nigeria's Debt Profile

The National Bureau of Statistics reported a trade surplus of approximately ₦44.77 billion in 2023, compared to ₦1.21 trillion in 2022. Total trade balance for 2023 stood at ₦71.88 trillion, indicating a 37.21% year-on-year increase. However, the decline in trade surplus was attributed to a 40.36% increase in total imports and a 34.20% increase in total exports.

Nigeria's total public debt stood at ₦97.34 trillion at the end of 2023, reflecting a 110.46% year-on-year increase and a 10.73% quarter-on-quarter increase. Domestic debt accounted for 60.74%, while external debt accounted for 39.26%, equivalent to ₦38.22 trillion ($42.49 billion).

Total debt is expected to rise in 2024, given the government's significant borrowing in recent months.

Banking Recapitalization

The month of March concluded with the CBN's review of minimum capital requirements for Commercial Banks, Merchant Banks, and Non-Interest Banks.

The table below summarizes the new minimum capital requirement by banks.

Type of Banks	Authorisation	Minimum Capital (N'Bn)
Commercial	International	500
	National	200
	Regional	50
Merchant	National	50
Non-Interest	National	20
	Regional	10

Source: CBN, AIICO Capital

- A grace period of 24 months, effective from April 1st, 2024, to March 31st, 2026, was provided for all banks to meet the new requirements.
- Banks are required to submit their implementation plans by April 30th, 2024.
- For existing banks, the minimum capital comprises paid-up capital and share premium only, while proposed banks comprise paid-up capital.

The CBN emphasized that the aim of these measures is to strengthen Nigerian banks against external and domestic shocks and increase their capacity to underwrite larger levels of credit for significant projects.

Foreign Exchange Market – *Naira appreciated in the FX market, as the CBN intensified action towards restoring FX stability.*

The Naira experienced an appreciation against the USD in March, with both the NAFEM and NAFEX windows improving significantly by 17.91% m/m (or ₦285.72) and 19.60% m/m (or ₦317.65), respectively, to ₦1,309.39 and ₦1,303.33. Similarly, in the parallel market, the Naira gained approximately 14.19% m/m (₦ 215.00) to ₦1,300.00 per USD.

This currency appreciation was primarily driven by the Central Bank of Nigeria's (CBN) intervention, which included: FX sales to Bureau De Change Operators (BDCs), offering attractive rates in Open Market Operations (OMO) and Nigerian Treasury Bills (NTB) primary market auctions, and conducting a Special USD for Naira FGN Bonds sale. Also, there was a surge in diaspora remittances and increased crude oil receipts due to higher oil output and elevated prices, and the decision by the US Federal Reserve to maintain its interest rate.

Furthermore, Gross FX reserves increased by approximately $108 million to $33.83 billion as at the end of March, driven by elevated crude oil prices and an uptick in oil production. Brent crude oil prices rose by 4.62% m/m from $83.62pb to $87.48pb, while Nigeria's production output increased from 1.43mpd in January to 1.48mpds in February 2024, according to secondary sources from OPEC.

Outlook: Given the CBN's focus on addressing FX illiquidity and managing the inflation rate, we anticipate the ongoing efforts to combat Naira depreciation throughout April and the entire Q2'2024. Consequently, the FX market is expected to maintain stability in the coming quarter, with Naira mop-up measures easing demand pressures on foreign exchange.

Money Market Review – *Persistent liquidity crunch due to CBN's tightening measures.*

In March, the Central Bank of Nigeria (CBN) conducted Open Market Operations (OMO) auctions, offering ₦500.00 billion across short, medium, and long-tenor papers. However, the CBN sold ₦1,056.30 billion at the end of the auction, significantly reducing system liquidity and resulting in a deficit balance

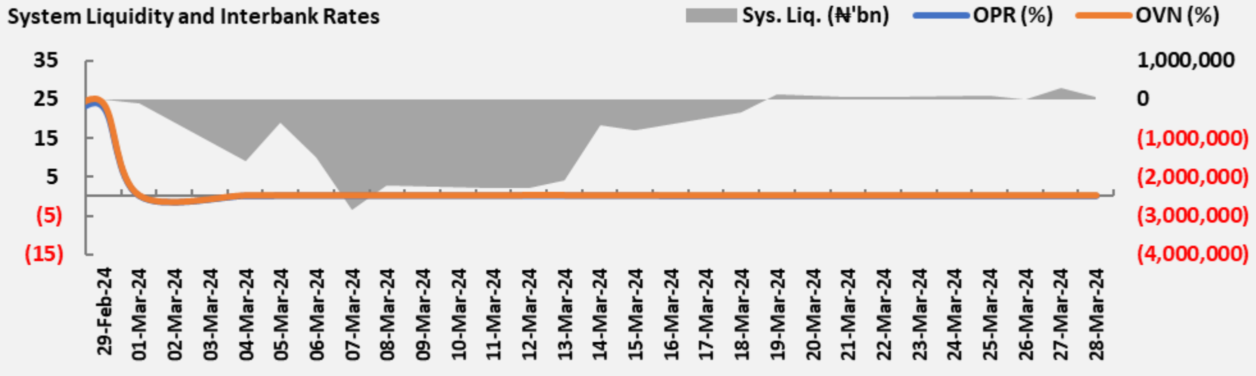
Shortly after, the Debt Management Office's (DMO) Nigerian Treasury Bills (NTB) auction saw a substantial oversubscription, with ₦337.89 billion offered and ₦1,316.68 billion allotted. This further exacerbated the shortfall in system liquidity, which persisted until mid-month. However, coupon and maturity inflows from the FGN 2024 paper improved liquidity conditions, albeit marginally.

Later in the month, liquidity increased to positive territory following CRR refunds, SWAP maturities, and FGN coupon payments, although the settlement of Bond auctions somewhat tempered the expected positive impact.

Overall, the average system liquidity decreased from -₦149.97 billion in February to -₦830.43 billion in March, leading to a rise in the average Open Repo Rate (OPR) and Overnight Rate (OVN) to 27.96% and 29.45%, respectively, compared to 19.87% and 20.82%.

Outlook: In April, expected inflows from FGN bond coupons, OMO maturities, and FGN Sukuk rentals are estimated at ₦458.72 billion. However, given the firm tightening approach by the CBN, interbank rates are expected to remain elevated in April and the subsequent quarter. Market participants will closely monitor the next monetary policy meeting for potential forward guidance from the MPC regarding the sustainability of the current policy tightening measures.

MARKET UPDATE



Source: CBN, FMDQ, AIICO Capital

Treasury Bills – *The CBN's hawkish policies fuelled more bearish theme.*

The Central Bank of Nigeria (CBN) continued its aggressive implementation of hawkish policies, leading to tight liquidity conditions in the first half of the month. Consequently, activities in the treasury bills market saw low momentum across the curve, accompanied by a touch of bearish sentiment. The market sentiment was further influenced by the OMO auction conducted at the beginning of the month, where the CBN offered ₦500.00 billion bills but sold ₦1,056.30 billion. Additionally, stop rates across short, medium, and long-dated papers were higher than the previous auction, indicating a repricing higher in the treasury bills market.

MARCH 2024 OMO Bills AUCTION RESULT					
Date	Tenor	Offer (₦'bn)	Sub (₦'bn)	Allot (₦'bn)	Closing Rate
01-Mar-24	95	75.00	37.05	37.05	**19.00%**
01-Mar-24	179	75.00	8.25	6.00	**19.50%**
01-Mar-24	361	350.00	1,092.25	1,013.25	**21.50%**
		500.00	**1,137.55**	**1,056.30**	

Source: CBN, FMDQ, AIICO Capital

MARCH 2024 NTB AUCTION RESULT					
Tenor	Feb'24 Close	Mar'24 Auc 1	Mar'24 Auc 2	Mar'24 Auc 3	Change M-o-M (basis points)
91	17.00%	17.24%	16.24%	16.24%	(27)
182	17.50%	18.00%	17.00%	17.00%	(50)
364	**19.00%**	**21.49%**	**21.12%**	**21.12%**	+212

Source: CBN, FMDQ, AIICO Capital

MARCH NTB	Offer (₦'bn)	Allot (₦'bn)	New Issues (₦'bn)
Auc 1	337.89	1,316.68	978.79
Auc 2	161.49	161.49	0.00
Auc 3	161.33	1,189.71	1,028.38

Source: CBN, FMDQ, AIICO Capital

MARKET UPDATE

Despite occasional increases in liquidity, particularly around mid-month, cherry-picking activity was observed on several papers, including those with maturities in June 2024, January 2025, February 2025, and March 2025. The temporary improvement in liquidity also reflected in the primary market, where stop rates slightly declined in the second auction. Towards the end of the month, the Monetary Policy Committee's (MPC) hawkish decisions and improvement in liquidity led to stability in stop rates at the final auction in March.

The CBN's decision to increase the interest rate by 200bps, adjust the asymmetric corridor, and raise the cash reserve requirement for Marchant Banks contributed to the post-auction buyside interests intensifying, as asset managers rebalanced portfolios ahead of Q1'2024 reporting. However, the market closed slightly bearish, with the average mid-yield increasing by 9bps to settle at 15.89% m/m.

Outlook: We anticipate elevated rates in the treasury bills market to persist in the interim, given the absence of satisfaction in the tightening cycle by the CBN, especially amid rising inflation. However, updates on inflation and sustainability in FX supply will be crucial factors to monitor in the coming months and quarters.

FGN Bond Market – *Uptick in yields, stimulated by CBN's assertive actions.*

The FGN local bonds market was affected by the liquidity crunch in the early part of the month, resulting in less volatility and a bearish sentiment. Despite the influx of bond coupons and the maturing March 2024 paper, activities in the market only stirred slightly, with buyside interests observed across high-yield papers. The DMO auctioned ₦450.00 billion but sold ₦608.86 billion, with the March 2027 newly issued paper at 19.94%, and the Feb 2031 and Feb 2034 papers issued at 20.00% and 20.45%, respectively. Consequently, secondary market yields moved higher across the curve.

A special USD for Naira FGN bonds primary market auction was also conducted by the CBN, which saw maturities in 2026, 2027, and 2028 issued at 21.00% each, with ₦2.35 trillion in total sales. Despite the upward movement in yields triggered by the 200bps rate hike by the CBN, bargain hunting for high-yield papers, including those maturing in 2027, 2029, and 2038, mitigated the bearish sentiment.

Overall, the market closed bearish with a 175bps uptick in average mid-yield to settle at 18.94% m/m.

MARCH 2024 BOND AUCTION RESULT

Maturity	Offer (₦'bn)	Sub (₦'bn)	Allot (₦'bn)	Non-com (₦'bn)	Yield	Feb'24 Close	Change M-o-M (bps)
20-Mar-27	150.00	264.63	151.93	-	**19.94%**	**-**	-
21-Feb-31	150.00	51.79	47.886	-	**20.00%**	**18.50%**	150.00
21-Feb-34	150.00	298.60	275.85	133.20	**20.45%**	**19.00%**	145.00
	450.00	**615.02**	**475.66**	**133.20**			

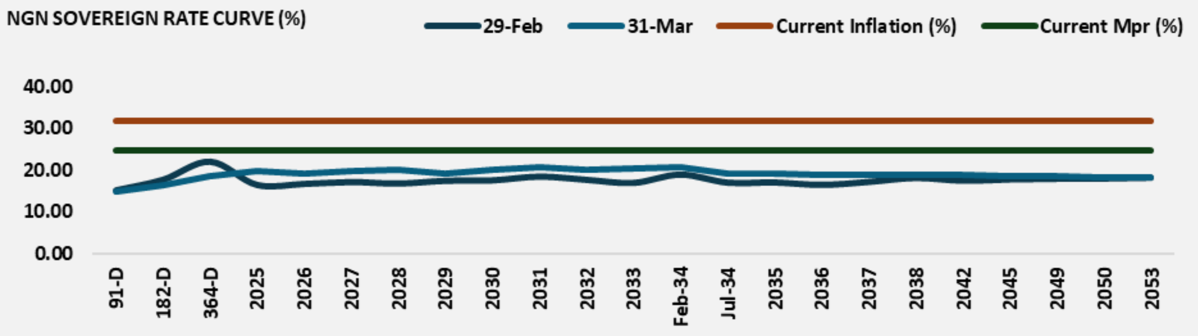
Total	**608.86**

Source: DMO, AIICO Capital

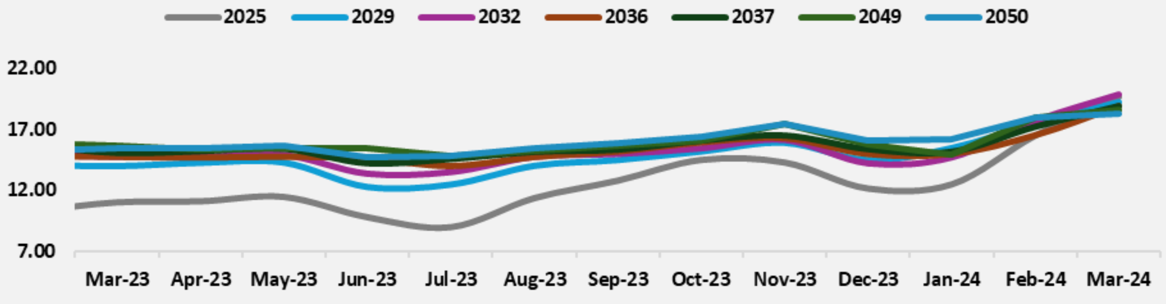
MARKET UPDATE

MARCH 2024: SPECIAL USD FOR NAIRA FGN BOND SALE					
Maturity	Offer (₦'bn)	Sub (₦'bn)	Allot (₦'bn)	Yield	Price
20-Mar-26	700.00	700.00	700.00	**21.00%**	100.00
20-Mar-27	1,100.00	1,100.00	1,100.00	**21.00%**	97.73
20-Mar-28	558.24	558.24	558.24	**21.00%**	100.00
	2,358.24	**2,358.24**	**2,358.24**		

Source: CBN, Blomberg, AIICO Capital



Source: FMDQ, NBS, CBN, AIICO Capital



Source: DMO, AIICO Capital

Outlook: Yields in the local bonds market are expected to hover at similar levels, guided by weak liquidity and uncertainty in subsequent bond auctions, especially considering the unexpected volumes of bonds sold in the primary market in Q1'2024.

Despite total bond sales in Q1'24 crossing ₦4 trillion, the market is expected to cherry-pick high-yielding papers, particularly newly issued ones, resulting in a mixed sentiment in April and Q2'2024.

MARKET UPDATE

Equities Market Performance in March – *Surge in ASI driven by Banking Sector and TRANSPOWER Debut.*

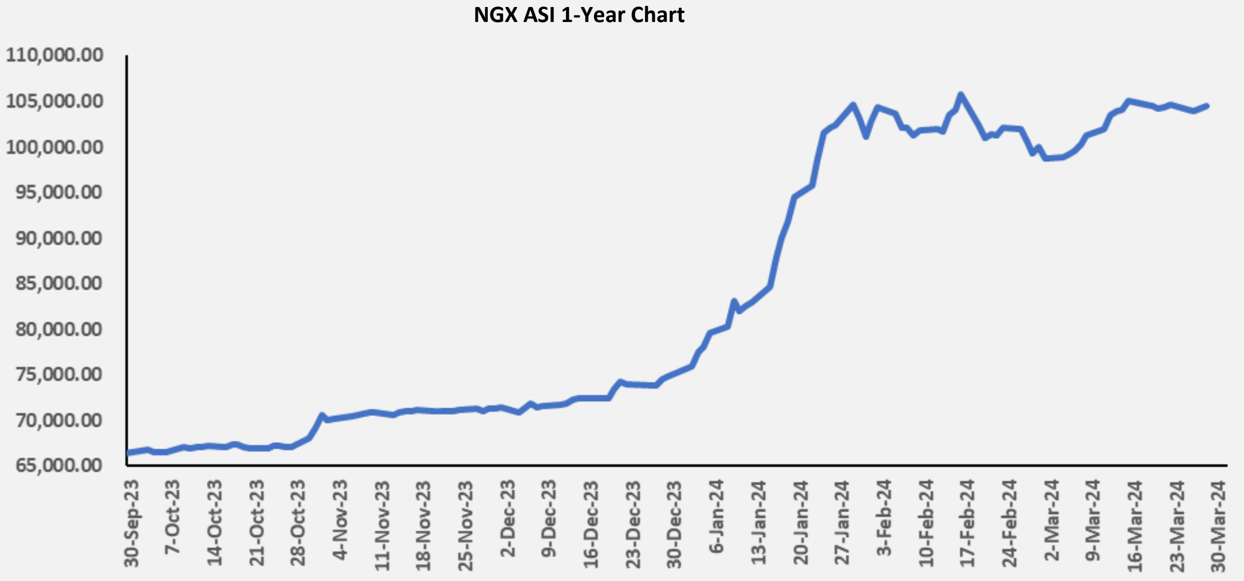
In March, the All-Share Index rebounded to reach 100,000 points, driven by vigorous bargain hunting in the banking sector and investor enthusiasm for the newly listed company, TRANSPOWER.

The month commenced with TRANSPOWER debuting on the Nigerian Stock Exchange at ₦240 per share, with a market capitalization of ₦1.86 trillion. Despite analysts' concerns about its potentially overvalued listing price, investors displayed strong interest, leading to a remarkable 57.08% appreciation from the initial price. This positive sentiment spilled over to the parent company, TRANSCORP, albeit short-lived.

Although overall market buying interests waned, there was a gradual increase in investor attention towards the banking sector, fuelled by optimistic expectations for earnings and dividend payouts for the 2023 fiscal year. Towards the month's end, investors' interests in banking stocks intensified, particularly following ACCESSCORP's impressive FY 2023 financial results, which saw a notable 306% increase in Profit After Tax (PAT) and a final dividend announcement of ₦1.80k per share.

Reflecting on Q1'2024, the bulk of gains occurred in January, driven by strong investor sentiment towards Industrial, Consumer, and Oil & Gas Indices, partly influenced by Otedola's investment in DANGCEM, alongside positive views on leading sectors like MTNN and AIRTELAFRI. February saw a market correction, especially in stocks that had risen without solid fundamentals, resulting in a slight decline in the ASI, supported by a 400bps increase in the monetary policy rate to 22.75% and larger-than-expected FX revaluation losses among key market players.

Overall, the All-Share Index (ASI) closed March at 104,562.06 points, marking a 4.58% increase, with a reported market capitalization of ₦59.12 trillion. Q1'2024 witnessed a significant 39.84% quarter-on-quarter appreciation in the ASI, building upon the 12.64% gain achieved in Q4'2023.



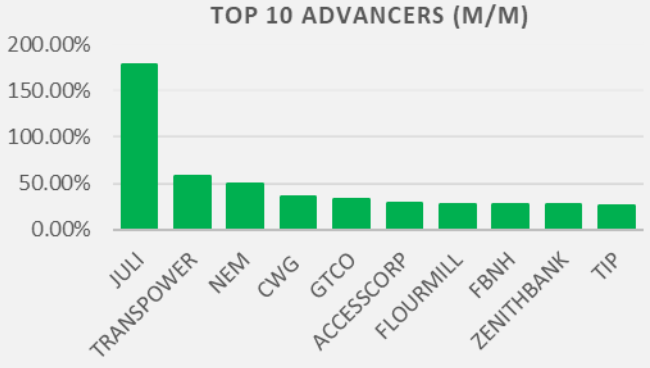
Source: NGX, AIICO Capital

MARKET UPDATE

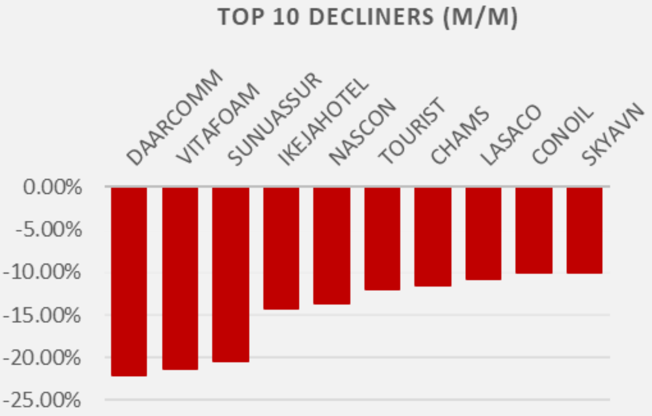
Sectorial Performance was mixed to bullish in March.
In March, the Banking Index appreciated by 21.21%, while Industrial, Consumer Goods, and Oil & Gas Indices declined by 0.92%, 0.78% and 0.66%, respectively. All sectors settled on a positive note in terms of year-to-date return.

	January	February	March	YTD
NGX ASI	35.28%	-1.16%	4.58%	39.84%
NGX Banking Index	-3.37%	-2.01%	21.21%	14.76%
NGX Insurance Index	21.68%	-6.08%	10.44%	26.20%
NGX Industrial Index	107.86%	-13.33%	-0.92%	78.49%
NGX Consumer Index	24.33%	16.45%	-0.78%	43.66%
NGX Oil & Gas Index	19.96%	4.14%	-0.66%	24.09%
Market Capitalization	35.29%	-1.18%	8.07%	44.49%

Source: NGX, AIICO Capital



Source: Bloomberg, AIICO Capital



Outlook:

- The Banking index is poised to lead the bullish trends in April, supported by numerous catalysts and fewer concerns compared to other sectors. Investor attention will likely focus on the decisions made by banks regarding the CBN's proposed upward revision of minimum capitalization, particularly among tier 1 banks.

- The second quarter of 2024 is expected to reflect the repercussions of significant policies implemented by the CBN in both Q4'2023 and Q1'2024. Consequently, sectors such as consumer goods and industrial sectors may experience a deceleration in momentum.

- Anticipated developments are expected from sectors negatively affected by FX devaluation, as the exchange rate for Q1'2024 financials may worsen the already-affected financial performance of these companies. There's a possibility that the exchange rate will either stabilize at current levels or continue to be a concern for an extended period.

- Overall, market activity is projected to remain varied in Q2'2024, reflecting a mix of positive and negative trends.

EUROBONDS

Eurobonds Market – *Mixed to bullish theme, amid the Fed's interest rate decision.*

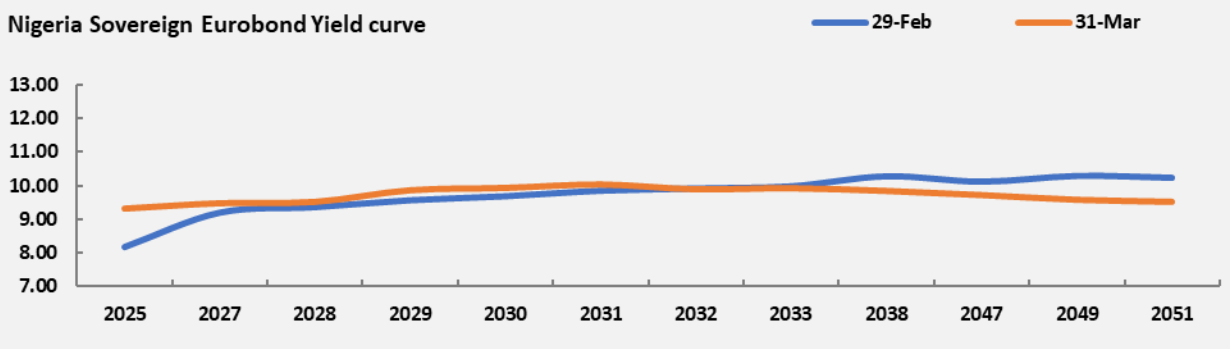
The Eurobonds market witnessed a month characterized by an inverted "V" shape in yield, reflecting the Federal Reserve's underestimation of persistent consumer prices and the anticipation of a 75bps rate cut later in the year.

Commencing the month, the Sub-Saharan African (SSA) Eurobond markets experienced a downtrend in yield, influenced by escalating crude oil prices and statements from Fed Chair Powell suggesting that interest rates might have peaked.

As the month progressed, the release of the US Consumer Price Index (CPI) for February, which stood at 3.20% year-on-year, exceeding the estimated 3.10%, triggered a significant selloff. Despite this, certain investors selectively purchased assets at attractive levels. However, the bearish sentiment intensified following a higher-than-expected US Producer Price Index (PPI) report. Subsequently, trading activity slowed, with market sentiment shifting towards country-specific factors, leading to a mixed trend in African papers.

Following the Federal Reserve's decision to maintain interest rates at 5.50% and the projections in the Fed's Dot Plot, African Eurobonds saw a robust recovery, attracting substantial buyside interests across various papers. Consequently, yields experienced a moderate upward movement, driven by profit-taking on selected papers.

By the end of the month, the Eurobonds market settled with a mixed-to-bullish posture. Notably, the average mid-yield across Nigerian papers declined by approximately 49 basis points, settling at 9.23% month-on-month, compared to 9.72% in the preceding month.



Source: FBN UK, AIICO Capital

Other notable information:

- Egypt's Minister of Finance, Mohamed Maait, disclosing the government's aim to reduce the debt-to-GDP ratio to below 80% over the next three years.
- Moreover, he emphasized the positive impact of the €7.4 billion financial package from the European Union on the path to economic stability.
- Furthermore, Zambia reached an agreement with a group of private creditors to restructure its $3 billion debt in international bonds, while Ghana initiated the debt restructuring of its $13 billion global debt with international bond holders in March.

EUROBONDS

Outlook:

- The upcoming US Federal Open Market Committee (FOMC) meeting scheduled for April 30th and May 1st will be closely watched, with subsequent core CPI and PCE readings potentially serving as indicators. The Fed's downplaying of January and February's hotter-than-expected inflation suggests that if inflation demonstrates a stickier trend, the widely expected June rate cut might be less certain.

- In the African space, attention will be focused on updates regarding debt restructuring, particularly from Ghana, and the possibility of Eurobond auctions by some economies, notably Nigeria, given the recovery to single-digit yield levels in the secondary market. Additionally, geopolitical tensions are anticipated to impact global trades, potentially influencing foreign receipts on international commodities.

Contact us now to receive valuable investment guidance today.

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