

# Weekly Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening system liquidity fell by 80.59% week-on-week, from ₦347.14 billion last week, to ₦67.38 billion today. Consequently, the Open Repo Rate (OPR) increased by 756 bps to 29.67%, while the Overnight Rate (O/N) expanded by 707 bps, ending at 30.07% compared to the previous week.

**Outlook:** We expect interbank rates to shoot higher next week due to the FGN bond auction funding.

### Treasury Bills

During the holiday-shortened week, market started the week on a mixed to bullish note, although, traded quietly at the end of the week, as players tilted focus towards the NTB auction. Consequently, the average mid-rate declined by 59 bps, week-on-week, to close at 17.08%.

**Outlook:** We expect activities to trend sideways next week.

### FGN Bonds

Activities in the FGN local bonds market was weak, as players traded cautiously ahead of the bond auction scheduled for April 15th, where the DMO would be issuing a total of ₦450.00 billion across the April 2029 (new), February 2031 & 2034 papers. As a result, market settled flattish with the average mid-yield staying unaltered at 18.75%.

**Outlook:** We expect activity to be skewed towards the FGN bond auction next week.

### Eurobonds

The Eurobond market began the week with a pessimistic tone due to consensus expectations of higher inflation compared to previous data. However, the bearish sentiment waned as buyers emerged across the yield curve. Eventually, the US headline Consumer Price Index (CPI) rose to 3.50% year-on-year in March from 3.20% in February, while the monthly core CPI exceeded estimates at 0.40% compared to the expected 0.30%. Consequently, the market turned bearish, with a focus on selling interests in African bonds. Additionally, the Producer Price Index (PPI) increased to 2.10%, up from 1.60% in February. Following this, the bearish momentum eased, and the market partially recovered some losses. Overall, the market ultimately settled on a bearish note, with the average mid-yield on Nigerian Eurobonds rising by 13 basis points to close at 9.59%.

**Outlook:** We expect sentiment to be driven by US Retail Sales data next week, and several speaking engagements by officials of Federal Reserve, particularly Jerome Powell.

AIICO Money Market Fund (AMMF)		
Net Yield	(As at 11th April 2024)	15.3130%

Date	Sys. Liq. (N'bn)	Diff.
12-Apr-24	67.39	
5-Apr-24	347.14	↓(279.75)

Source: CBN

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)	33.36 (+1.36% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*92.11 (+1.03% w/w)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	12-Apr-24	05-Apr-24	Change in Rates
76 days	16.41%	16.41%	→ 0.00%
167 days	16.28%	16.28%	→ 0.00%
314 days	18.55%	18.55%	→ 0.00%

Source: FMDQ DQL for 12 Apr 2024 and 05 Apr 2024

Benchmark FGN Bond Yields			
	12-Apr-24	05-Apr-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.06%	19.05%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	19.84%	19.91%	↓ -0.07%
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 12 Apr 2024 and 05 Apr 2024

Benchmark FGN Eurobond Yields			
	12-Apr-24	05-Apr-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.41%	8.28%	↑ 0.13%
10 yrs: NGERIA 7.875 02/16/32	9.82%	9.62%	↑ 0.20%
15 yrs: NGERIA 7.696 23/02/38	10.28%	10.14%	↑ 0.14%
30 yrs: NGERIA 9.248 01/21/49	10.28%	10.21%	↑ 0.07%
7.125% ECOTRAN 16/02/26*	9.30%	9.29%	↑ 0.01%

Source: ZENITH UK Runs for 12 Apr 2024 and 05 Apr 2024

## Nigerian Equities

The Nigerian Equity market closed bearish this week, given the persistent profit taking across several bellwether tickers, particularly FBNH (-23.77%), ACCESSCORP (-21.22%), and GTCO (-21.14%). Thus, the All-Share Index dropped by 1.09% week-on-week to settle at 102,314.56 points, with year-to-date return and market capitalization standing at 36.83% and ₦57.86 trillion, respectively.

All sectorial indices closed on a bearish note. The Banking and Industrial Indices saw declines of 7.22% and 0.23% week-on-week, while the Consumer Goods and Oil & Gas Indices declined by 1.00% and 0.28%, respectively. UBA led both total volume charts with 148 million units, while ZENTHBANK topped the value chart with ₦5.48 billion in value.

**Outlook:** We expect the bearish trend to persist, albeit, at a less aggressive pace.

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦108.67 (or 8.69%) to \$/₦1,142.38 compared to \$/₦1,251.05 recorded at the close of last week.

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

## Commodities

Oil prices increased further on the back of reports that Israel is preparing for a direct attack by Iran this weekend, in what would be the biggest escalation of Middle East tensions since the start of the Israel-Hamas war last October. The most recent data shows Brent crude rising by 1.03% week-on-week to \$92.11 per barrel, while WTI saw a 0.23% decrease to \$86.26 per barrel over the same period. Additionally, the price of gold rose by 4.80% week-on-week, reaching \$2,245.80 per ounce.

**Outlook:** We expect the volatility to persist next week.

### Top 5 Equity Advancers W-o-W

Name (Symbol)	Closing Price	Gain(N)	% Change
ABCTRANS	2.56	0.80	↑ 45.45%
NEM	3.20	0.60	↑ 23.08%
LIVESTOCK	6.64	1.14	↑ 20.73%
NGXGROUP	7.30	0.87	↑ 13.53%
THOMASWY	24.00	2.60	↑ 12.15%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners W-o-W

Name (Symbol)	Closing Price	Loss(N)	% Change
FBNH	27.10	-8.45	↓ -23.77%
ACCESSCORP	19.30	-5.20	↓ -21.22%
GTCO	41.40	-11.10	↓ -21.14%
TANTALIZER	0.35	-0.07	↓ -16.67%
CONHALLPLC	1.40	-0.23	↓ -14.11%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.71%	↓ -1.09%	↓ -2.15%	↑ 36.83%
NSE Banking Index	↓ -4.67%	↓ -7.22%	↓ -13.46%	↓ -0.69%
NSE Insurance Index	↓ -2.45%	↓ -2.45%	↓ -3.28%	↑ 22.06%
NSE Industrial Goods Index	↓ -0.23%	↓ -0.23%	↓ -0.50%	↑ 77.60%
NSE Consumer Goods Index	↓ -1.07%	↓ -1.00%	↓ -0.40%	↑ 43.08%
NSE Oil & Gas Index	↓ -0.28%	↓ -0.28%	↓ -0.28%	↑ 23.75%

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