

DATE: Tuesday, 10 December 2024

MARKET COMMENTARY

System Liquidity

System liquidity fell deeper into negative territory, primarily due to yesterday's OMO auction settlement debit of ₦1.559 trillion. As a result, interbank rates rose further, with the Overnight Policy Rate (OPR) increasing by 0.68% to 32.07% and the Overnight Rate (O/N) rising by 0.82% to 32.82%.

Outlook: We anticipate that interbank rates will stay high unless there is a significant increase in inflows.

Treasury Bills

The Treasury bills market experienced moderate interest in the 04 December 2025 paper and some long-dated OMO papers. However, market participants remained cautious in anticipation of tomorrow's NTB auction. Overall, the average mid-rate for the benchmark NTB papers rose by 12 bps, closing at 23.15%.

Outlook: We expect a cautious theme tomorrow as investors focus on the NTB auction, where ₦275.71 billion will be offered across 91, 182, and 364-day papers.

FGN Bonds

The local bonds market experienced a calm session, with sideways interest observed across select maturities, particularly the Feb 2031, May 2033, Feb 2034, and Jun 2053 papers. Overall, the average mid-yield concluded at 19.43%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

The Eurobonds market continued its decline as investors adjusted their positions ahead of important inflation data. The upcoming figures will shed light on the Federal Reserve's future interest rate decision. Broad selling pressure was observed across the regions in the SSA and North African markets. Despite stronger Brent crude prices, oil-rich countries Nigeria and Angola saw weaker performance. Consequently, the average mid-yield for Nigerian bonds increased by 6 bps to 9.25%. Additionally, Kenya's Eurobonds experienced a drop following the government's revision of its 2024 GDP growth forecast from 5.6% to 4.7% for 2023.

Outlook: We anticipate that the same sentiment will continue to prevail.

BENCHMARK T-BILLS DISCOUNT RATES			
	10-Dec-24	09-Dec-24	Change in Rates
93 DAYS	24.05%	24.05%	→ 0.00%
177 DAYS	22.49%	22.49%	→ 0.00%
345 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 10-Dec-2024

BENCHMARK FGN BOND YIELDS			
	10-Dec-24	09-Dec-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	19.71%	19.71%	→ 0.00%
10 YRS: 19.00% 21-FEB-2034	20.88%	20.88%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.01%	19.01%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.98%	16.98%	→ 0.00%

Source: FMDQ DQL for 10-Dec-2024

BENCHMARK FGN EUROBOND YIELDS			
	10-Dec-24	09-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.65%	8.62%	↑ 0.03%
10 YRS: NGERIA 7.375% 09/29/33	9.41%	9.36%	↑ 0.05%
15 YRS: NGERIA 7.696% 23/02/38	9.83%	9.77%	↑ 0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.16%	10.10%	↑ 0.06%
8.75% ETI 06/17/31*	8.84%	8.84%	→ 0.00%

Source: FBN UK Runs for 10-Dec-2024

NFEM (\$/N)		Diff.
10-Dec-24	1,525.00	
9-Dec-24	1,538.50	↓ (13.50)

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
10-Dec-24	(1,284.91)	
9-Dec-24	(32.79)	↓ (1,252.13)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.00
AIICO BALANCED FUND	12.74
AIICO EUROBOND FUND	5.74

As of December 09, 2024

MACRO INDICATORS	
GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
INFLATION (OCTOBER'2024)	33.88% (Sep'24: 32.70%)
EXTERNAL RESERVE (US\$'BILLION)	40.38 (+22.68% YTD as of 09-Dec-24)
MONETARY POLICY RATE	27.25%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.41 (+0.06 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market saw a rebound, with the NGX-ASI and market capitalization increasing by 10 bps to close at 98,206.97 points and ₦59.53 trillion. Price increases in MTNN, CONOIL, and NESTLE drove this positive performance. As a result, the year-to-date growth of the ASI now stands at 31.34%. Sector performance was varied, with three of the main indices showing gains, led by the Insurance index, followed by the Oil & Gas and Consumer Goods indices. In contrast, the Industrial and Banking indices experienced declines.

Outlook: We expect mixed sentiments tomorrow.

Foreign Exchange

The Naira experienced some fluctuations in the NFEM window. It slightly depreciated at the beginning of trading but ended stronger. It ranged between \$/₦1,500.00 and \$/₦1,560.00. Overall, the Naira appreciated by 0.88% to close at \$/₦1,525.00.

Outlook: We anticipate that the Naira will continue to trade within a similar range.

Commodities

Oil prices remained stable as fears regarding the repercussions of the Syrian president's overthrow diminished. Market support stemming from Chinese stimulus was expected to enhance demand from the largest global crude buyer. Brent crude was around \$72.41 per barrel, and WTI was at c. \$68.76. In contrast, gold prices rose to a two-week high due to increasing geopolitical tensions and predictions of a third interest rate cut by the Federal Reserve, reaching about \$2,691.99 per ounce.

Outlook: We expect geopolitical and macroeconomic factors to continue influencing market sentiment.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
GOLDBREW	6.53	0.59	↑ 9.99%
GUINEANS	0.56	0.05	↑ 9.80%
TANTALIZER	1.46	0.13	↑ 9.80%
AFRIPUD	13.00	1.15	↑ 9.70%
ABCTRANS	1.25	0.11	↑ 9.60%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
JOHNHOLT	7.23	-0.80	↓ -10.00%
HMCALL	5.27	-0.58	↓ -9.90%
MORISON	4.01	-0.44	↓ -9.90%
WAPCO	65.00	-5.50	↓ -7.80%
UPDCREDIT	4.85	-0.30	↓ -5.80%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.10%	↑ 0.52%	↑ 0.72%	↑ 31.34%
NSE BANKING INDEX	↓ -0.20%	↑ 0.08%	↑ 0.98%	↑ 15.17%
NSE INSURANCE INDEX	↑ 1.98%	↑ 6.14%	↑ 11.31%	↑ 68.85%
NSE INDUSTRIAL GOODS INDEX	↓ -0.84%	↓ -0.76%	↑ 1.12%	↑ 31.48%
NSE CONSUMER GOODS INDEX	↑ 0.17%	↓ -0.12%	↑ 0.33%	↑ 42.23%
NSE OIL & GAS INDEX	↑ 1.64%	↑ 6.74%	↑ 7.04%	↑ 144.36%

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