

Actionable Market Insights, delivered daily.



DATE: Thursday, 12 December 2024

MARKET COMMENTARY

System Liquidity

System liquidity deteriorated today following the net NTB auction settlement of ₦252.17 billion today. As a result, interbank rates remained elevated. Specifically, the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) settled at 32.18% and 32.71%, respectively.

Outlook: We expect interbank rates to remain elevated in the absence of a significant increase in inflows.

Treasury Bills

The Treasury bills market experienced increased activity, although it was largely bearish. Interest was primarily directed toward the newly issued one-year NTB paper (11 Dec 2025). There were more offers than bids, as players sought to trade their winnings profitably. Overall, the average mid-rate for the benchmark NTB papers increased by 29 bps, settling at 23.42%.

Outlook: We expect the market to trade mixed sentiments tomorrow.

FGN Bonds

The local bonds market traded calmly as participants remained cautious ahead of Monday's FGN bond auction. Overall, the average mid-yield closed at 19.44%.

Outlook: We expect the same sentiment to persist.

Eurobonds

The Eurobond market experienced a shift towards risk aversion, leading to a negative close as investors steered clear of high-risk assets. Additionally, some investors engaged in profit-taking activities. Furthermore, the U.S. Bureau of Labor Statistics announced today that the Producer Price Index for final demand rose by 0.4% in November, seasonally adjusted. Prices for final demand increased by 0.3 percent in October and by 0.2 percent in September. Overall, the average mid-yield for Nigerian bonds rose by 5 bps, ending the day at 9.29%.

Outlook: We anticipate that participants will adopt a cautious approach leading up to next week's FOMC meeting.

BENCHMARK T-BILLS DISCOUNT RATES			
	12-Dec-24	11-Dec-24	Change in Rates
91 DAYS	24.05%	24.05%	→ 0.00%
175 DAYS	22.49%	22.49%	→ 0.00%
343 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 12-Dec-2024

BENCHMARK FGN BOND YIELDS			
	12-Dec-24	11-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	19.02%	19.01%	↑ 0.01%
30 YRS: 15.70% 21-JUN-2053	16.98%	16.98%	→ 0.00%

Source: FMDQ DQL for 12-Dec-2024

BENCHMARK FGN EUROBOND YIELDS			
	12-Dec-24	11-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.62%	8.58%	↑ 0.04%
10 YRS: NGERIA 7.375% 09/29/33	9.50%	9.45%	↑ 0.05%
15 YRS: NGERIA 7.696% 23/02/38	9.87%	9.81%	↑ 0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.21%	10.16%	↑ 0.05%
8.75% ETI 06/17/31*	8.84%	8.84%	→ 0.00%

Source: FBN UK Runs for 12-Dec-2024

NFEM (\$/N)			Diff.
12-Dec-24	1,532.00		
11-Dec-24	1,545.00		↓ (13.00)

Source: FMDQ

SYS. LIQ. (₦'BN)			Diff.
12-Dec-24	(1,596.95)		
11-Dec-24	(1,265.95)		↓ (331.00)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.02
AIICO BALANCED FUND	12.79
AIICO EUROBOND FUND	7.29

As of December 11, 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)	40.42 (+22.82% YTD as of 10-Dec-24)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.65 (-0.34 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian bourse sustained its bullish run, with the NGX-ASI and market capitalization increasing by 25 bps to close at 98,760.59 points and ₦59.86 trillion, respectively. The positive performance was fueled by gains in shares of CONOIL (+10.00%), WAPCO (+6.06%), and OANDO (+3.73%). Year-to-date, the ASI has grown by 32.08%. Most of the sectors closed positive, with only the Banking Index dipping by 0.22%.

Outlook: We expect mixed sentiments tomorrow.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) experienced some activity today with improved liquidity. Transactions ranged between \$/₦1,515.00 and \$/₦1,550.00. Overall, the Naira appreciated by 0.84% to close at \$/₦1,532.00.

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

Commodities

Oil prices declined as projections for sufficient supply in the oil market countered the optimism brought on by increasing hopes of a U.S. interest rate reduction. Brent crude was about \$72.65 per barrel, while WTI was approximately \$69.30. Likewise, Gold fell by over 1% as investors took profits after it had briefly reached a five-week high earlier in the day and adjusted positions ahead of a Federal Reserve meeting scheduled for next week. Gold traded around \$2,680.60 per ounce.

Outlook: We anticipate that geopolitical and macroeconomic factors will continue influencing market sentiment.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
CONOIL	387.20	35.20	↑ 10.00%
TANTALIZER	1.76	0.16	↑ 10.00%
CUSTODIAN	13.85	1.25	↑ 9.92%
AFRIPRUD	15.70	1.40	↑ 9.79%
GOLDBREW	7.88	0.70	↑ 9.75%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
DAARCOMM	0.54	-0.05	↓ -8.47%
CAVERTON	1.80	-0.16	↓ -8.16%
OMATEK	0.62	-0.05	↓ -7.46%
ABCTRANS	1.25	-0.10	↓ -7.41%
CONHALLPLC	2.22	-0.17	↓ -7.11%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.25%	↑ 0.66%	↑ 1.29%	↑ 32.08%
NSE BANKING INDEX	↓ -0.22%	↑ 0.26%	↑ 0.83%	↑ 14.99%
NSE INSURANCE INDEX	↑ 0.82%	↑ 4.52%	↑ 14.86%	↑ 74.22%
NSE INDUSTRIAL GOODS INDEX	↑ 0.62%	↓ -0.56%	↑ 1.90%	↑ 32.49%
NSE CONSUMER GOODS INDEX	↑ 0.32%	↑ 0.39%	↑ 0.69%	↑ 42.74%
NSE OIL & GAS INDEX	↑ 2.74%	↑ 7.79%	↑ 12.82%	↑ 157.56%

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