

MARKET COMMENTARY

System Liquidity

System liquidity continued to be negative but experienced some relief as statutory revenue inflows helped alleviate the illiquidity. However, interbank rates stayed high due to the FGN bond auction settlement of c.₦211 billion, FX intervention settlement, and CRR activities. Specifically, the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) were recorded at 32.13% and 32.67%, respectively.

Outlook: We anticipate that interbank rates will stay elevated in the near term.

Treasury Bills

The Treasury Bills market experienced a subdued atmosphere, with some activity noted at the long end of the curve, particularly for the December bills. There were a few selling interests as market participants looked to liquidate holdings to meet their obligations amid low system liquidity. Notably, trades occurred for the December 9, 2025 bill, with execution rates around low 23.00% levels. Overall, the average mid-rate for benchmark NTB papers settled at 23.33%.

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

FGN Bonds

The local bonds market experienced a quiet day, with little activity observed in the mid-and long-dated papers, specifically the February 2031 and June 2053 bonds. However, trading volumes were sparse overall. By the end of the day, the average mid-yield increased by 2 bps, closing at 19.53%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

The Eurobonds market experienced sideways interest today, although trading volumes were low. Oil-exporting countries like Angola and Nigeria saw gains due to rising oil prices, which boosted positive sentiment toward their Eurobonds. Also, investors are gearing up for potential hawkish hints from the FOMC ahead of the Fed's decision today. While a 25bps rate cut is expected, attention is on the Summary of Economic Projections for insights on inflation risks and the labor market. The average mid-yield for Nigerian bonds stood at 9.38%.

Outlook: We expect participants to remain cautious as they reflect on the decisions made at today's FOMC meeting.

BENCHMARK T-BILLS DISCOUNT RATES			
	18-Dec-24	17-Dec-24	Change in Rates
85 DAYS	24.05%	24.05%	→ 0.00%
169 DAYS	22.49%	22.49%	→ 0.00%
337 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 18-Dec-2024

BENCHMARK FGN BOND YIELDS			
	18-Dec-24	17-Dec-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.16%	21.15%	↑ 0.01%
10 YRS: 19.00% 21-FEB-2034	20.85%	20.85%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.02%	19.02%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.99%	16.99%	→ 0.00%

Source: FMDQ DQL for 18-Dec-2024

BENCHMARK FGN EUROBOND YIELDS			
	18-Dec-24	17-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.80%	8.80%	→ 0.00%
10 YRS: NGERIA 7.375% 09/29/33	9.57%	9.55%	↑ 0.02%
15 YRS: NGERIA 7.696% 23/02/38	9.99%	9.99%	→ 0.00%
30 YRS: NGERIA 8.25% 09/29/51	10.31%	10.31%	→ 0.00%
8.75% ETI 06/17/31*	8.93%	8.84%	↑ 0.09%

Source: FBN UK Runs for 18-Dec-2024

NFEM (\$/N)		Diff.
18-Dec-24	1,545.00	
17-Dec-24	1,540.00	↑ 5.00

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
18-Dec-24	(1,016.39)	
17-Dec-24	(896.39)	↓ (120.00)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.85
AIICO BALANCED FUND	13.37
AIICO EUROBOND FUND	7.33

As of December 17, 2024

MACRO INDICATORS	
GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
INFLATION (NOVEMBER'2024)	34.60% (Oct'24: 33.88%)
EXTERNAL RESERVE (US\$'BILLION)	40.74 (+23.77% YTD as of 17-Dec-24)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.99 (+0.87 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed today positively, with the NGX-ASI rising by 43 bps to close at 100,477.46 points and market capitalization increasing to ₦60.91 trillion. Gains in stocks such as MRS, ARADEL, OANDO, ZENITHBANK, and ACCESSCORP fueled this growth. Year-to-date, the ASI has grown by 34.38%. Overall, four of the five tracked indices recorded gains, with the Insurance Index leading at 3.16%.

Outlook: We expect the same sentiment to persist tomorrow.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) was active today, with improved liquidity observed. Transactions occurred within \$/₦1,531.00 and \$/₦1,565.00. Overall, the naira depreciated by 32 bps, closing at \$/₦1,545.00.

Outlook: We expect the Naira to continue trading within a similar range.

Commodities

Oil prices increased slightly as investors remained cautious ahead of a possible interest rate cut by the U.S. Federal Reserve, with a decrease in U.S. crude inventories providing additional support. Brent crude was around \$73.99 per barrel, and WTI was about \$71.12. On the other hand, gold prices dipped as the dollar stayed strong, with investors anticipating a pivotal U.S. Federal Reserve decision that could influence market sentiment. Gold traded near \$2,637.13 per ounce.

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

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
MRS	159.70	14.50	↑ 9.99%
LEARNAFRCA	3.53	0.32	↑ 9.97%
INTENEGINS	1.46	0.13	↑ 9.77%
WAPIC	1.69	0.15	↑ 9.74%
LIVESTOCK	3.72	0.33	↑ 9.73%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
AFRIPRUD	14.40	-1.60	↓ -10.00%
JOHNHOLT	6.51	-0.72	↓ -9.96%
GUINEAINS	0.66	-0.06	↓ -8.33%
DEAPCAP	1.08	-0.06	↓ -5.26%
CONHALLPLC	2.30	-0.10	↓ -4.17%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGXASI	↑ 0.43%	↑ 2.00%	↑ 3.05%	↑ 34.38%
NSE BANKING INDEX	↑ 0.68%	↑ 1.22%	↑ 2.28%	↑ 16.65%
NSE INSURANCE INDEX	↑ 3.16%	↑ 6.21%	↑ 21.00%	↑ 83.54%
NSE INDUSTRIAL GOODS INDEX	→ 0.00%	↑ 0.69%	↑ 1.98%	↑ 32.59%
NSE CONSUMER GOODS INDEX	↑ 0.80%	↑ 2.69%	↑ 3.07%	↑ 46.11%
NSE OIL & GAS INDEX	↑ 0.33%	↑ 3.11%	↑ 13.23%	↑ 158.49%

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