

Actionable Market Insights, delivered daily.

AIICO CAPITAL

DATE: Monday, 23 December 2024

MARKET COMMENTARY

System Liquidity

System liquidity experienced a notable improvement, driven by inflows from derivatives, the signature Bonus, and other disbursements from the CBN. Consequently, interbank rates eased significantly, with the Overnight Policy Rate (OPR) declining by 4.86% to 26.93% and the Overnight Rate (O/N) dropping by 4.62% to 27.71%.

Outlook: We anticipate that interbank rates will continue to ease tomorrow, bolstered by FGN bond coupon inflows of ₦216.76 billion.

Treasury Bills

The Treasury Bills market witnessed noticeable activity, but sentiments varied. There were offers for the 30 September and 2 December 2025 OMO bills. In contrast, demand focused on the May, November, and December 11, 2025 bills despite limited matching offers. In summary, the average mid-rate for the benchmark NTB papers closed at 23.14%.

Outlook: We anticipate cautious trading in the market tomorrow ahead of the NTB auction scheduled for Friday due to the upcoming holiday.

FGN Bonds

The local bonds market experienced a quiet session. Investors showed interest in the mid to long end of the curve, selectively pursuing attractive yields. Activity was primarily focused on the new maturities for April 2029, February 2031, and April 2037, although trading volumes remained low. Overall, the average mid-yield settled at 19.52%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

The Eurobond market experienced a quiet session, with mixed sentiments noted across the SSA and North African papers, as investors gradually wind down in anticipation of the Christmas and New Year holidays. Overall, the average mid-yield for Nigerian bonds remained relatively stable, closing at 9.52%.

Outlook: We expect the same sentiment to continue in tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES

	23-Dec-24	20-Dec-24	Change in Rates
94 DAYS	24.78%	24.78%	→ 0.00%
185 DAYS	22.37%	22.37%	→ 0.00%
332 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 23-Dec-2024

BENCHMARK FGN BOND YIELDS

	23-Dec-24	20-Dec-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.17%	21.16%	↑ 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 23-Dec-2024

BENCHMARK FGN EUROBOND YIELDS

	23-Dec-24	20-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.98%	8.94%	↑ 0.04%
10 YRS: NGERIA 7.375% 09/29/33	9.67%	9.74%	↓ -0.07%
15 YRS: NGERIA 7.696% 23/02/38	10.13%	10.15%	↓ -0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.41%	10.41%	↓ 0.00%
8.75% ETI 06/17/31*	8.84%	8.84%	→ 0.00%

Source: FBN UK Runs for 23-Dec-2024

NFEM (\$/N)		Diff.
23-Dec-24	1,538.00	
20-Dec-24	1,542.00	↓ (4.00)

Source: FMDQ

SYS. LIQ. (₦BN)		Diff.
23-Dec-24	123.71	
20-Dec-24	(377.50)	↑ 501.21

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.61
AIICO BALANCED FUND	13.64
AIICO EUROBOND FUND	7.35

As of December 19, 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)	40.82 (+24.02% YTD as of 20-Dec-24)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.03 (-0.91 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market concluded today's trading session positively, with the NGX-ASI and market capitalization increasing by 22 bps to close at 101,356.15 points and ₦61.44 trillion, respectively. This gain was fueled by buying interest in TRANSCORP, GTCO, MTNN, UBA, and OKOMUOIL. The year-to-date growth of the ASI has now reached 35.55%. Most sectors performed positively, with three out of five indices showing gains. The Insurance Index led the way with a 3.89% increase, while the Oil & Gas and Industrial Goods Indices experienced declines of 0.06% and 0.05%, respectively.

Outlook: We expect the same sentiment to persist tomorrow.

Foreign Exchange

The NFEM showed a certain level of stability today, with improved liquidity observed. Transactions occurred within \$/₦1,532.00 to \$/₦1,545.00. Overall, the Naira strengthened by 26 bps to close at \$/₦1,538.00.

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

Commodities

Oil prices declined due to concerns about a potential supply surplus next year and a stronger dollar, with trading activity being light ahead of the Christmas holiday. Brent crude was valued at roughly \$72.03 per barrel, while WTI was approximately \$68.66. Likewise, gold prices fell in quiet holiday-season trading on Monday, impacted by a strong dollar and elevated U.S. Treasury yields as investors anticipated more apparent indications regarding the Federal Reserve's monetary policy for 2025. It traded around \$2,612.58 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
CHAMPION	4.18	0.38	↑ 10.00%
INTBREW	5.50	0.50	↑ 10.00%
MANSARD	8.25	0.75	↑ 10.00%
MRS	198.00	18.00	↑ 10.00%
OKOMUOIL	403.70	36.70	↑ 10.00%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ARADEL	600.00	-64.01	↓ -9.64%
OANDO	12.60	-1.19	↓ -8.63%
VERITASKAP	1.29	-0.06	↓ -4.44%
OMATEK	0.65	-0.03	↓ -4.41%
TIP	2.31	-0.09	↓ -3.75%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.22%	↑ 1.43%	↑ 3.95%	↑ 35.55%
NSE BANKING INDEX	↑ 2.16%	↑ 5.52%	↑ 7.00%	↑ 22.03%
NSE INSURANCE INDEX	↑ 3.89%	↑ 14.15%	↑ 31.83%	↑ 99.97%
NSE INDUSTRIAL GOODS INDEX	↓ -0.06%	↓ -1.02%	↑ 0.96%	↑ 31.26%
NSE CONSUMER GOODS INDEX	↑ 2.48%	↑ 4.18%	↑ 6.68%	↑ 51.24%
NSE OIL & GAS INDEX	↓ -0.05%	↑ 0.97%	↑ 13.88%	↑ 160.00%

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