

DATE: Tuesday, 24 December 2024

MARKET COMMENTARY

System Liquidity

System liquidity declined despite the FAAC disbursements, as the CBN conducted CRR debit activities yesterday, which reduced liquidity. However, interbank rates eased. The Overnight Policy Rate (OPR) fell by 10 bps to 26.83%, while the Overnight Rate (O/N) dropped by 13 bps to 27.58%.

Outlook: We expect interbank rates to continue to trade around the same levels.

Treasury Bills

The Treasury Bills market experienced a calm session, with only mild interest in the December 2025 papers. However, executed volumes were limited as participants focused on the Christmas holiday. Overall, the average mid-rate for the benchmark NTB papers closed at 23.15%.

Outlook: We anticipate that attention will turn to the NTB auction following the holiday, where the DMO plans to offer ₦332.52 billion across the usual tenors.

FGN Bonds

The local bonds market had another quiet session, with most interest directed toward the February 2031 paper. Overall, the average mid-yield rose by 3 bps to 19.55%.

Outlook: We expect the same sentiment to persist in the interim.

Eurobonds

The Eurobond market had a quiet session, albeit with a bearish undertone, as the festive atmosphere influenced market sentiment. There were very few executed volumes across the African curves. Overall, the average mid-yield for Nigerian bonds increased by 4 bps, closing at 9.55%.

Outlook: We expect mixed sentiments after the holiday.

BENCHMARK T-BILLS DISCOUNT RATES			
	24-Dec-24	23-Dec-24	Change in Rates
93 DAYS	24.78%	24.78%	→ 0.00%
184 DAYS	22.37%	22.37%	→ 0.00%
331 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 24-Dec-2024

BENCHMARK FGN BOND YIELDS			
	24-Dec-24	23-Dec-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.17%	21.17%	→ 0.00%
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 24-Dec-2024

BENCHMARK FGN EUROBOND YIELDS			
	24-Dec-24	23-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.02%	8.98%	↑ 0.04%
10 YRS: NGERIA 7.375% 09/29/33	9.72%	9.67%	↑ 0.05%
15 YRS: NGERIA 7.696% 23/02/38	10.19%	10.13%	↑ 0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.44%	10.41%	↑ 0.03%
8.75% ETI 06/17/31*	8.84%	8.84%	→ 0.00%

Source: FBN UK Runs for 24-Dec-2024

NFEM (\$/N)		Diff.
24-Dec-24	1,537.00	
23-Dec-24	1,538.00	↓ (1.00)

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
24-Dec-24	(40.18)	
23-Dec-24	123.71	↓ (163.89)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.61
AIICO BALANCED FUND	14.90
AIICO EUROBOND FUND	7.36

As of December 23, 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 (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.45 (+1.42 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market maintained its upward trend as it headed into the festive season, with the NGX-ASI and market capitalization rising by 82 bps to finish at 102,186.03 points and ₦61.94 trillion, respectively. This increase was driven by strong buying interest in MTNN, NB, and FIDELITYBK. The year-to-date increase in the ASI has now reached 36.66%. All major sectors showed positive results, with the Insurance Index leading the way with a 1.49% rise.

Outlook: We expect the same sentiment to persist after the holiday.

Foreign Exchange

The NFEM demonstrated a degree of stability today, accompanied by enhanced liquidity. Transactions were executed within \$/₦1,533.00 to \$/₦1,545.00. Overall, the Naira appreciated by 7 bps to close at \$/₦1,537.00.

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

Commodities

Oil prices increased, reversing losses from the previous session, supported by a somewhat optimistic market outlook for the short term, despite limited trading activity ahead of the Christmas holiday. Brent crude was approximately priced at \$73.45 per barrel, while WTI was around \$70. Meanwhile, gold prices stabilized in light trading as investors anticipated the U.S. Federal Reserve's interest rate plans and President-elect Donald Trump's tariff policies, which could influence the metal's direction next year. It traded at about \$2,616.88 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	217.80	19.80	↑ 10.00%
IKEJAHOTEL	11.05	1.00	↑ 9.95%
MULTIVERSE	5.55	0.50	↑ 9.90%
SKYAVN	30.70	2.75	↑ 9.84%
JOHNHOLT	6.45	0.57	↑ 9.69%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
THOMASWY	1.71	-0.19	↓ -10.00%
CAVERTON	2.27	-0.18	↓ -7.35%
WAPIC	1.70	-0.09	↓ -5.03%
HMCALL	4.75	-0.25	↓ -5.00%
LIVESTOCK	3.80	-0.20	↓ -5.00%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.82%	↑ 2.13%	↑ 4.80%	↑ 36.66%
NSE BANKING INDEX	↑ 0.98%	↑ 6.36%	↑ 8.05%	↑ 23.23%
NSE INSURANCE INDEX	↑ 1.49%	↑ 14.08%	↑ 33.80%	↑ 102.96%
NSE INDUSTRIAL GOODS INDEX	↑ 0.15%	↓ -0.85%	↑ 1.11%	↑ 31.45%
NSE CONSUMER GOODS INDEX	↑ 0.49%	↑ 4.85%	↑ 7.20%	↑ 51.97%
NSE OIL & GAS INDEX	↑ 0.14%	↑ 1.05%	↑ 14.04%	↑ 160.36%

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission and is licensed to provide fund and portfolio management services in Nigeria.