

DATE: Tuesday, 31 December 2024

MARKET COMMENTARY

System Liquidity

System liquidity started off negative after the OMO auction settlement and net CRR debit activities from yesterday. As a result, interbank rates increased, with the Overnight Policy Rate (OPR) and Overnight Rate (O/N) trading between 28% and 30%.

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

Treasury Bills

The Treasury Bills market experienced a calm atmosphere, as most participants were focused on housekeeping activities. However, there was some interest in the 25-Dec-2025 paper, and a few offers were available to meet this demand. As a result, the average mid-rate for the benchmark NTB papers closed at 23.12%.

Outlook: We anticipate a calm start to the year as participants reassess the current yield environment.

FGN Bonds

The local bonds market experienced another quiet session, with most interest directed toward the February 2031, May 2033, February 2034, and June 2053 papers. Overall, the average mid-yield settled at 19.59%.

Outlook: We expect a calm start to the year as participants reevaluate the current yield environment.

Eurobonds

The Eurobond market had a quiet trading session, but there was a slightly bullish tone. A noticeable amount of bids was observed for sovereign bonds, especially from Nigeria, Angola, and Egypt. Overall, the average mid-yield for Nigerian bonds remained stable at 9.54%.

Outlook: We expect a calm beginning to the year as participants reevaluate the current yield environment and key economic indicators.

BENCHMARK T-BILLS DISCOUNT RATES

	31-Dec-24	30-Dec-24	Change in Rates
86 DAYS	24.78%	24.78%	→ 0.00%
177 DAYS	22.37%	22.37%	→ 0.00%
324 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 31-Dec-2024

BENCHMARK FGN BOND YIELDS

	31-Dec-24	30-Dec-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.19%	21.19%	→ 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	16.98%	16.98%	→ 0.00%

Source: FMDQ DQL for 31-Dec-2024

BENCHMARK FGN EUROBOND YIELDS

	31-Dec-24	30-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.02%	9.02%	→ 0.00%
10 YRS: NGERIA 7.375% 09/29/33	9.74%	9.74%	→ 0.00%
15 YRS: NGERIA 7.696% 23/02/38	10.15%	10.21%	↓ -0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.41%	10.42%	↓ -0.01%
8.75% ETI 06/17/31*	8.74%	8.74%	→ 0.00%

Source: FBN UK Runs for 31-Dec-2024

	NFEM (\$/N)	Diff.
31-Dec-24	1,535.00	
30-Dec-24	1,537.00	↓ (2.00)

Source: FMDQ

	SYS. LIQ. (N'BN)	Diff.
31-Dec-24	(166.29)	
30-Dec-24	846.78	↓ (1,013.08)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.89
AIICO BALANCED FUND	15.47
AIICO EUROBOND FUND	7.37

As of December 29, 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)	40.88 (+24.22% YTD as of 30-Dec-24)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRI)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.92 (-0.47 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market ended the year on a downturn, with the NGX-ASI dropping by 22 bps to close at 102,926.40 points, and the market capitalization reaching ₦62.76 trillion. This decline was primarily caused by profit-taking in MTNN, which overshadowed the limit-up finishes seen in OKOMUOIL and UNILEVER. The year-to-date performance of the ASI currently stands at 37.65%. Out of the five major indices, three posted positive results, with the Insurance Index leading the way with a gain of 4.93%, while the Banking and Consumer Goods indices saw declines.

Outlook: We anticipate a modest recovery at the beginning of the new year, though with a degree of caution as investors monitor important economic signals and possible market drivers.

Foreign Exchange

The NFEM demonstrated stability today with improved liquidity. Transactions occurred within the range of \$/₦1,520.00 and \$/₦1,550.00. Overall, the Naira appreciated by 13 bps, closing at \$/₦1,535.00.

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

Commodities

Oil prices were expected to end 2024 with a second straight year of declines, but remained steady for the day as data revealed growth in Chinese manufacturing was offset by Nigeria's plan to boost production next year. Brent crude was valued at \$73.92 per barrel, while WTI stood at about \$70.95. Meanwhile, Gold prices were set for an annual rise of over 26%, their largest yearly increase since 2010, driven by a demand for safe-haven assets and cuts in central bank interest rates, although the sentiment could become more cautious depending on potential policy changes under a second Trump presidency. It traded around \$2,612.04 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
BETAGLAS	64.90	5.90	↑ 10.00%
PRESTIGE	1.21	0.11	↑ 10.00%
UNIVINSURE	0.66	0.06	↑ 10.00%
OKOMUOIL	444.00	40.29	↑ 9.98%
THOMASWY	1.89	0.17	↑ 9.88%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ETERNA	24.30	-2.70	↓ -10.00%
UNIONDICON	7.20	-0.80	↓ -10.00%
CHAMPION	3.81	-0.34	↓ -8.19%
PZ	24.30	-1.80	↓ -6.90%
CADBURY	21.50	-1.50	↓ -6.52%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.22%	↑ 0.72%	↑ 5.56%	↑ 37.65%
NSE BANKING INDEX	↓ -0.34%	↓ -1.91%	↑ 5.99%	↑ 20.88%
NSE INSURANCE INDEX	↑ 4.93%	↑ 9.98%	↑ 47.15%	↑ 123.21%
NSE INDUSTRIAL GOODS INDEX	↑ 0.17%	↑ 0.19%	↑ 1.30%	↑ 31.70%
NSE CONSUMER GOODS INDEX	↓ -0.29%	↑ 1.62%	↑ 8.93%	↑ 54.43%
NSE OIL & GAS INDEX	↑ 0.43%	↓ -0.13%	↑ 13.89%	↑ 160.02%

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