Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity took a significant downturn, dropping from a deficit of c.₦1,497.87 billion yesterday to around c.₦2,520.36 billion today. Consequently, both the Open Repo Rate and Overnight Rate increased by c.58 bps and c.111 bps, reaching 30.08% and 31.57%, respectively.

Outlook: We expect the interbank rates to stay elevated.

Treasury Bills

The treasury bills market resumed its downward trend today, influenced by liquidity constraints and the results of yesterday's primary market auction. Despite this, there were some interests from buyers in short-dated maturities, particularly in June 2024 papers and the newly issued 1-year paper (06-Mar-2025). By the end of trading, average mid-rate declined to 15.99%.

Outlook: *We expect the bearish bias to resurface tomorrow.*

FGN Bonds

The FGN local bonds market experienced a subdued session today, characterized by a bearish undertone attributed to the significant deficit balance in the financial system. Thus, the average mid-yield increased by c. 41bps to close at 17.97%.

Outlook: We expect the bearish theme to persist tomorrow.

Eurobonds

Trading in the Eurobonds market was subdued, with activity remaining mild. Nigerian papers initially saw a bearish, tilted bullish at mid-day but ended the session with a slight bearish sentiment. Meanwhile, African peers maintained a positive trend throughout the trading period. At the end of trading, Nigeria's average mid-yield increased by c.7bps, to close at 9.63%.

Outlook: We expect sentiment to stay bearish tomorrow.

Date	Sys. Liq. (₦'bn)	Diff.
7-Mar-24	-2,520.36	(1,022.49)
6-Mar-24	-1,497.87	

Source: CBN

AIICO Money Market Fund (AMMF)	
(As of 6th March 2024)	13.9585%
Added Benefit	Personal accident insurance cover

Macro Indicators	
GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (January'2024)	29.90% (Dec'23: 28.92%)
External Reserve (US$'billion)	33.96 (+3.17% YTD)
Monetary Policy Rate	22.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US$/bbl	*83.56 (+1.88 d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	07-Mar-24	06-Mar-24	Change in Rates
63 days	14.69%	14.69%	(0.00%)
154 days	17.07%	15.30%	(1.77%)
280 days	18.71%	17.67%	(1.04%)

Source: FMDQ DQL for 07 March 2024

Benchmark FGN Bond Yields

	07-Mar-24	06-Mar-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	17.80%	17.80%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	18.71%	17.73%	(0.98%)
20 yrs: 13.00% 21-Jan-2042	18.69%	17.52%	(1.17%)
30 yrs: 12.98% 27-Mar-2050	18.34%	18.02%	(0.32%)

Source: FMDQ DQL for 07 March 2024

Benchmark FGN Eurobond Yields

	07-Mar-24	06-Mar-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.04%	8.99%	(0.05%)
10 yrs: NGERIA 7.875 02/16/32	9.73%	9.66%	(0.07%)
15 yrs: NGERIA 7.696 23/02/38	10.07%	10.00%	(0.07%)
30 yrs: NGERIA 9.248 01/21/49	10.12%	10.06%	(0.06%)
7.125% ECOTRAN 16/02/26	10.18%	10.25%	+0.07%

Source: ZENITH UK Runs for 07 March 2024

Aim higher. Reach further ▶

Nigerian Equities

The Nigerian stock market rebounded, reclaiming its 100k levels, with the All-Share Index (ASI) rising by 0.75% to settle at 100,335.30 points. Buoyed by increased buyside interest in TRANSPOWER (+9.99%), market performance saw a notable boost. However, TRANSCORP experienced a significant decline of 9.95%, alongside FBNH, which lost 4.38% of its value. The year-to-date return closed at 34.19%, with total market capitalization reaching ₦56.73 trillion.

Market activity remained relatively stable, with a 33.19% increase in trading volume, while total value traded declined by -9.11%. TRANSCORP dominated both volume and value charts, recording 301.36 million units traded and ₦5.65 billion in value. The Banking Index declined by 2.57%, while the Oil & Gas Index remained unchanged. In contrast, the Industrial and Consumer Goods Indices appreciated by 0.01% and 0.62%, respectively.

Outlook: *We expect the bullish sentiment to linger tomorrow, albeit less aggressively.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by 0.22% (or ₦3.57) to $/₦1,602.17 from $/₦1,605.74 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices experienced a decline as the market assessed U.S. inventory data and the outlook for interest rates. Brent crude rose to $82.18 per barrel, while West Texas Intermediate (WTI) reached $78.05 per barrel at the time of reporting. Meanwhile, Gold Price surged to $2,159.90 per ounce following Powell's suggestion of a potential rate cut.

Outlook: *We expect oil prices to remain elevated.*

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
DANGSUGAR	50.60	4.60	10.00%
MTNN	201.30	18.30	10.00%
TRANSPOWER	351.30	31.90	9.99%
JULI	4.97	0.45	9.96%
NASCON	47.65	4.30	9.92%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
FTNCOCOA	1.53	-0.17	-10.00%
GUINNESS	45.90	-5.10	-10.00%
TRANSCORP	17.10	-1.89	-9.95%
IKEJAHOTEL	6.08	-0.67	-9.93%
REDSTAREX	3.38	-0.37	-9.87%

Source: NGX, AIICO Capital

ers	D-o-D	W-o-W	MTD	YTD
NGX ASI	0.75%	0.36%	0.36%	34.19%
NSE Banking Index	-2.57%	0.86%	0.86%	-4.50%
NSE Insurance Index	-0.15%	-2.62%	-2.62%	11.28%
NSE Industrial Goods Index	0.01%	-1.90%	-1.90%	76.73%
NSE Consumer Goods Index	0.62%	-1.87%	-1.87%	42.07%
NSE Oil & Gas Index	0.00%	-0.85%	-0.85%	23.85%