

Dear Esteemed Client:

Good evening

All of us at AIICO Capital wish you all the Happiness in the New Year.

The European Central Bank (ECB) today, ended its first monetary policy meeting in 2019 keeping its benchmark refinancing rate at record low levels of 0%, since March 2016 and reiterated it will maintain key interest rates at record low levels till end of Q3 2019. This comes after the Eurozone's Apex bank ended its record high 2.6 trillion Euros (ca \$2.94 trillion) quantitative Easing stimulus programme in December 2018, with growth outlook in the Eurozone area expected to significantly subside in 2019. This also comes a week to the U.S. Federal Reserve's meeting holding 29 – 30 January 2019.

With the persisting uncertainties and threat of protectionism, vulnerabilities in emerging markets, increasing financial markets volatility, economic slowdown in China and rising expectation of a slowdown in global economic growth, we expect the U.S. Federal Reserve to maintain its benchmark interest rate at 2.25% - 2.50% at the end of its first meeting in 2019 next week.

1. Money Markets

Liquidity in the banking system opened on a positive note today, at ca ₦70.80bn. This was further increased with inflows from maturing Open Market Operations (OMO) treasury bills of ca ₦381.54bn. In line with its tight monetary policy, the Central Bank of Nigeria (CBN) conducted both an OMO auction and a Special OMO sale today.

Treasury Bills

Another bullish trading day in the treasury bills secondary market today, with demand seen particularly at the short-to-mid end of the curve. Average rate dropped ca -3ps day-on-day, with the 28 February 2019 maturity trading the most to close at 11.85% from 12.87%. Please find below a summary of the results of today's OMO auction:

Tenor	91-Days	182-Days	364-Days
Maturity Date:	25-Apr-19	25-Jul-19	23-Jan-20
Amount Offered:	₦ 30.00 billion	₦ 70.00 billion	₦ 350.00 billion
Subscription:	₦ 6.06 billion	₦ 18.38 billion	₦ 335.21 billion
Amount Allotted:	₦ 6.06 billion	₦ 18.38 billion	₦ 335.21 billion
Range of bids:	11.9000% – 11.9000%	13.5000% – 15.0000%	15.0000% – 15.0000%
Stop Rates	11.9000%	13.5000%	15.0000%

Tenor 346-Days Special OMO

Maturity Date:	23-Jan-20
Total Sale(₦)	₦ 50.24 billion
Stop Rates(%)	15.0000%

Bank Placements

Open Buy Back (OBB) and Overnight (O/N) rates dropped to 12.33% and 13.00% from 15.00% and 15.67% respectively. Average fixed deposit rates amongst banks monitored showed:

- tier-1 rated banks at 3.00% for 30 - 60 days tenor on ₦10mln - ₦100mln.
- tier-2 rated banks at 7.50% for 30 - 60 days tenor on ₦10mln - ₦100mln.

2. Capital Markets

Bonds

A more active trading day in the bonds secondary market today, after yesterday's release of the Q1 2019 bonds issuance calendar. Average yields rose ca +27bps day-on-day, with the March 2036 maturity trading the most to close at 15.26% from 15.13%.

Equities

The Nigerian equities market appreciated today, as the Nigerian Stock Exchange All Share Index (NSE ASI) gained ca +0.36% day-on-day to close at 30,989.60pts, with market's year-to-date returns at -1.40%. This was largely due price appreciation in Dangote Cement Plc (+1.05%), Guaranty Trust Bank Plc (+1.82%) and Zenith Banking Plc (+0.68%).

The NSE Oil & Gas and Banking indices gained ca +13bps and +65bps day-on-day, the NSE Industrial index lost ca -97bps while the NSE Consumer Goods index remained flat. Zenith Bank Plc led both the volume and value charts with 36.47m units traded at ₦806.51mn.

3. Foreign Exchange

The Naira remained stable against the dollar at the interbank market window today, at ₦306.80/\$1. In the parallel market, it depreciated against the Dollar at ₦364/\$1 from ₦363/\$1, appreciated against the Pound Sterling at ₦463/£1 from ₦465£1, while it remained stable against the Euro at ca ₦411/£1. The Naira depreciated at the Nigerian Autonomous Foreign Exchange (NAFEX) window at ₦362.29/\$1 from ₦362.19/\$1.

4. Commodities

Crude oil prices rose today, on indication that the U.S. planned to implement new sanctions on Venezuela, despite reports by the Energy Information Administration (EIA) of a 8 million barrels rise in crude inventory vs analyst expectation of 42,000 barrels. Brent crude oil price rose ca +0.08% at \$61.13pb, while WTI crude rose ca +0.97% at \$53.13pb, as at report time. Spot gold was down ca -0.40% day-on-day at \$1,278.90 per ounce.

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change	Name (Symbol)	Closing Price	Loss(N)	% Change
LEARNAFRCA	1.33	0.12	+9.92%	MEDVIEWAIR	1.85	-0.20	-9.76%
IKEJAHOTEL	1.67	0.15	+9.87%	RESORTSAL	0.20	-0.02	-9.09%
VERITASKAP	0.24	0.02	+9.09%	UBN	6.15	-0.60	-8.89%
MANSARD	2.00	0.14	+7.53%	LINKASSURE	0.62	-0.06	-8.82%
ROYALEX	0.31	0.02	+6.90%	FIDSON	4.70	-0.25	-5.05%

Top 5 Equity Decliners

Benchmark T-Bills Discount Rates			
	24-Jan-19	23-Jan-19	Change in Rates
70 Days	12.99%	12.99%	0.00%
175 Days	13.41%	13.26%	0.15%
322 Days	14.88%	14.75%	0.13%
Source: FMDQ/DQL for 24 January 2019			
*T-Bills Discount Rates are slightly different from current market rates			
Benchmark FGN Bond Yields			
	24-Jan-19	23-Jan-19	Change in Yield
3 yrs: 16.00% 29-Jun 2019	13.92%	13.77%	0.15%
5 yrs: 15.54% 13-Feb 2020	15.64%	15.05%	0.59%
10 yrs: 16.29% 17 Mar 2027	15.04%	15.04%	0.00%
20 yrs: 16.25% 18-Apr 2037	15.30%	15.06%	0.24%
Source: FMDQ/DQL for 24 January 2019			

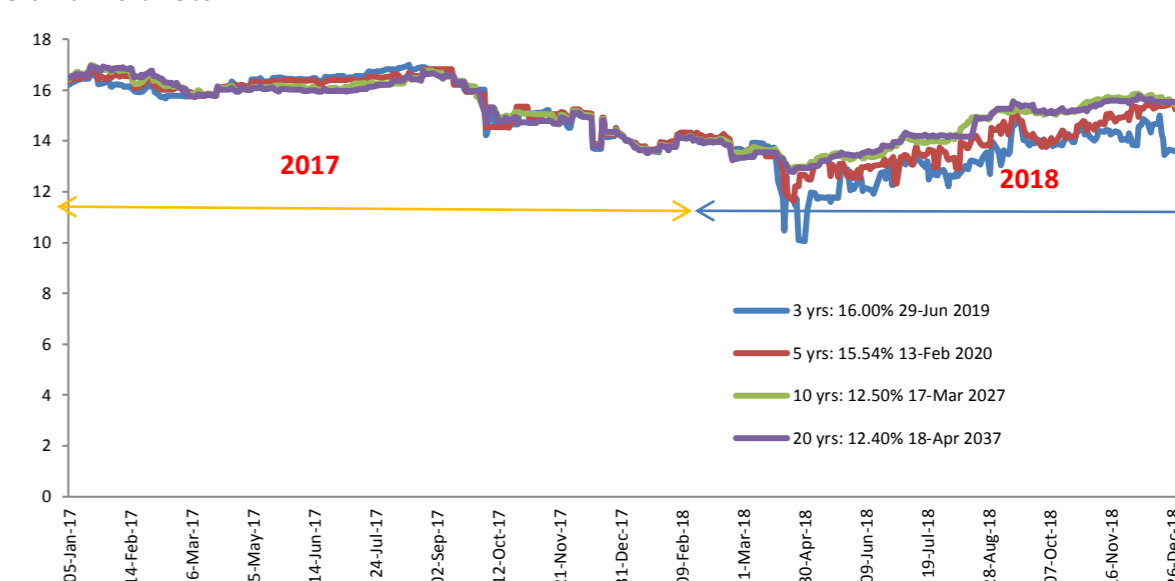
AIICO Money Market Fund (AMMF)	
Net Yield (As at current date)	13.00% per annum
Added Benefit	Personal accident insurance cover

AIICO Capital Guaranteed Income Note (GIN) Rates p.a.					
Amount (NGN)	30 Days	60 Days	90 Days	180 Days	364 Days
10,000,001 - 50,000,000	10.00	10.50	11.00	12.00	13.00
50,000,001 - 100,000,000	11.00	11.25	11.50	12.50	14.00
100,000,001 - 400,000,000	12.00	12.25	12.50	13.00	14.50

Trading Treasury Bills Rates p.a.			
Maturity Dates	Tenor (Days)	Discount Rate	Effective Yield
14-Feb-19	21	11.70%	11.78%
21-Mar-19	56	10.40%	10.57%
01-Aug-19	189	12.80%	13.71%
07-Nov-19	287	14.30%	16.11%

Select Macro-economic Indices	
Inflation % (December 2018)	11.44 (-25.57% ytd)
PMI (December 2018)	61.10
MPR (%)	14 (-5%/+2% around mid-point)
CRR (%)	22.5
Brent Crude Price US\$ pbbl	61.13 (+0.08% d/d)
External Reserve (US\$ billion)	43.11 (-0.01% ytd)
GDP % (Q3 2018)	+1.81% (Q2 2018: +1.50% y/y)
NSE All Share Index (ASI)	30,989.60 (+0.36% d/d; -1.40% ytd)
Market Capitalisation (₦ Trillion)	11.56

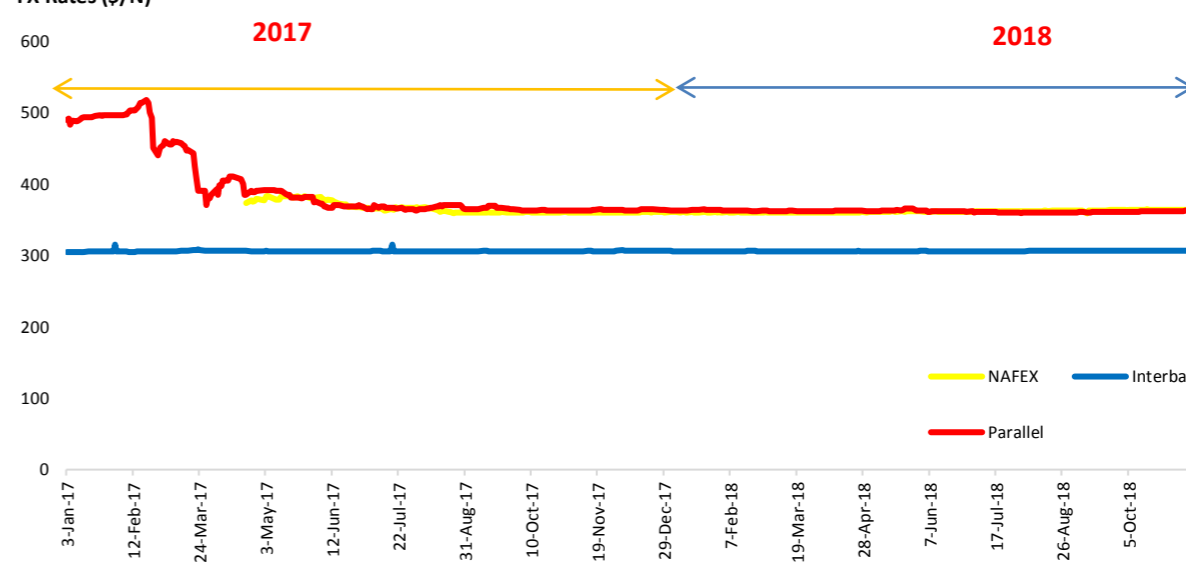
Benchmark Bond Yields



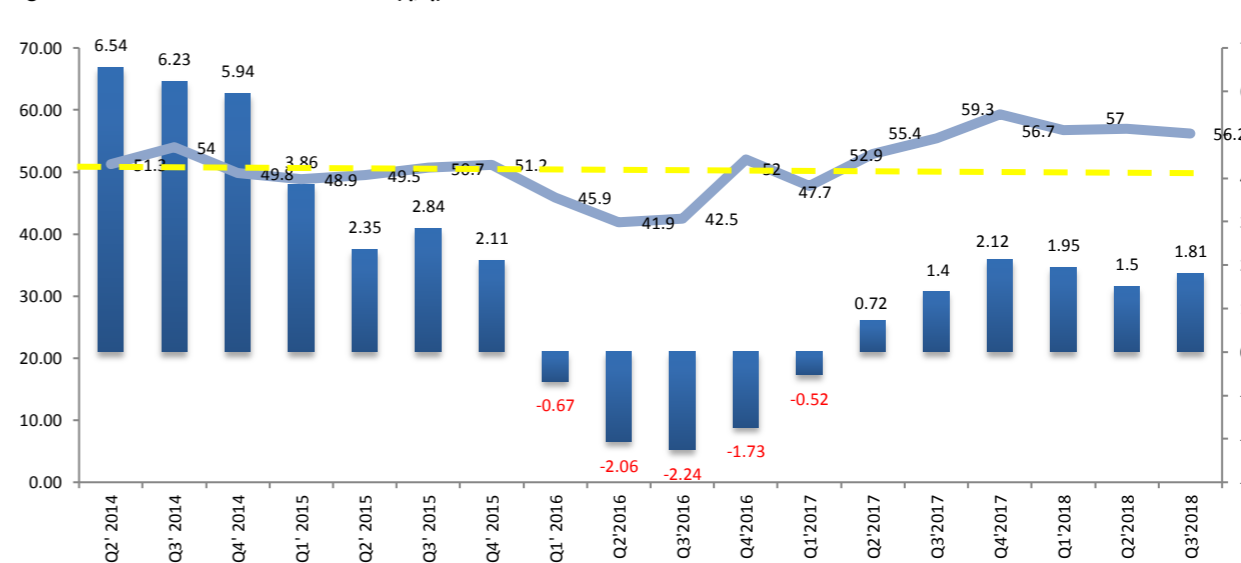
Nigerian All Share Index, 2017 - 2018



FX Rates (\$/N)



Nigeria's Real GDP Growth Rate vs PMI (q/q)



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 omissions 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.