

**Dear Esteemed Client:**

Good evening

Nigeria's Headline inflation for January 2019 declined to 11.37% year-on-year (y/y), from 11.44% y/y recorded in December 2018, data from the Nigerian Bureau of Statistics showed today. The drop can be attributed to a drop in food sub-index to 13.51% vs 13.56% in December 2018 while the Core sub-index rose marginally to 9.9% from 9.8%. This comes on the back of increased tightening of banking system liquidity by the Central Bank of Nigeria (CBN) since December 2018, taking out ca ₦2.482 trillion from the banking system in January and ca ₦5.692 trillion in the last 2 months, in its attempt to limit impact of electioneering spending on inflation.

We expect the Central Bank of Nigeria (CBN) to sustain its current tight monetary stance after the general elections holding tomorrow, to curtail any negative impact of possible post-election headwinds on headline inflation.

**1. Money Markets**

Banking system liquidity was expected to open on a negative note today. There was no Open Market Operation (OMO) auction conducted by the Central Bank of Nigeria (CBN) today.

**Treasury Bills**

A relatively very quiet trading day in the treasury bills secondary market today, with only a few trades seen on some of the maturities, particularly at the short-end of the curve. The 07 March maturity traded the most to close at 9.52%.

**Bank Placements**

Open Buy Back (OBB) and Overnight (O/N) rates rose to 15.83% and 17.50% from 15.00% and 16.00%. Average fixed deposit rates amongst banks monitored showed:

- tier-1 rated banks at 3.50% for 30 - 60 days tenor on ₦10mln - ₦100mln.
- tier-2 rated banks at 8.00% for 30 - 60 days tenor on ₦10mln - ₦100mln.

**2. Capital Markets**

**Bonds**

A very active trading day in the bonds secondary market today, with demand seen majorly at the mid-to-long end of the curve, particularly on the February 2028 and April 2037 maturities. The March 2036 maturity which traded the most to close at 14.27% from 14.56%, with average yield dropping ca -14bps day-on-day.

**Equities**

The Nigerian equities market appreciated for a 2nd consecutive trading day, as the Nigerian Stock Exchange All Share Index (NSE ASI) gained ca +0.81% day-on-day to close at 32,715.20pts, with market's year-to-date returns at +4.09%. This was mainly due to price appreciation in prices of Dangote Cement Plc (+1.57%), Nigerian Breweries Plc (3.75%), Stanbic IBTC Bolding Plc (+0.62%).

The NSE Oil & Gas and Banking indices gained ca +426bps and +66bps respectively, while the NSE Industrial and Consumer Goods indices lost ca -103bps and -22bps. Diamond Bank Plc led the volume chart with 141m units while Guaranty Trust Bank Plc led the value chart with ₦1.496bn worth of trade.

**3. Foreign Exchange**

The Naira remained stable against the dollar at the interbank market window today, at ₦306.75/\$1. In the parallel market, it remain stable against the Dollar, Pound Sterling and Euro at at ₦361/\$2, ₦473/£1 and ₦411/€1 respectively. The Naira depreciated at the Nigerian Autonomous Foreign Exchange (NAFEX) window at ₦361.54/\$1 from ₦361.38/\$1.

**4. Commodities**

Crude oil prices rallied for a 5th consecutive day today, on continued positive impact of the implementation of the production-cut deal by the Organisation of Petroleum Exporting Countries (OPEC) and reports of higher than expected cut in output by Saudi Arabia, which also had partial closure of its largest offshore oilfield – Safaniya. Brent crude oil price gained ca +1.55% at \$65.57/bp, while WTI crude rose ca +1.76% at \$55.37/bp, as at report time. Spot gold rose ca +0.68% day-on-day at \$1,320.30 per ounce.

**Top 5 Equity Advancers**

Name (Symbol)	Closing Price	Gain(N)	% Change
ROYALEX	0.33	0.03	+10.00%
PRESCO	66.00	6.00	+10.00%
IKEJAHOTEL	1.81	0.16	+9.70%
TRANSCORP	1.71	0.15	+9.62%
DANGFLOUR	9.15	0.80	+9.58%

**Top 5 Equity Decliners**

Name (Symbol)	Closing Price	Loss(N)	% Change
MRS	20.85	-2.30	-9.94%
UACN	8.65	-0.95	-9.90%
ACADEMY	0.37	-0.04	-9.76%
JAPAUOLOI	0.20	-0.02	-9.09%
UNILEVER	43.50	-3.50	-7.45%

Benchmark T-Bills Discount Rates			
	15-Feb-19	14-Feb-19	Change in Rates
76 Days	11.15%	11.15%	0.00% ↔
167 Days	12.50%	12.50%	0.00% ↔
300 Days	14.85%	14.89%	-0.04% ↓

Source: FMDQ DQL for 15 February 2019

\*T-Bills Discount Rates are slightly different from current market rates

Benchmark FGN Bond Yields			
	15-Feb-19	14-Feb-19	Change in Yield
3 yrs: 16.00% 29-Jun 2019	12.97%	12.96%	-0.01% ↑
5 yrs: 15.54% 13-Feb 2020	16.62%	16.68%	-0.06% ↓
10 yrs: 16.29% 17-Mar 2027	14.67%	14.76%	-0.09% ↓
20 yrs: 16.25% 18-Apr 2037	14.42%	14.48%	-0.06% ↓

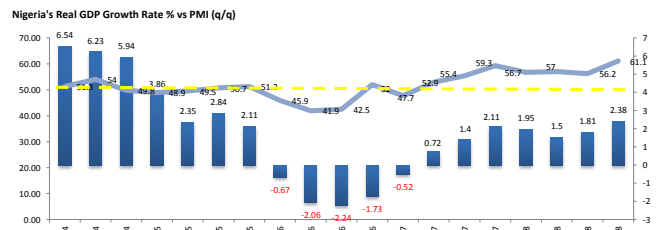
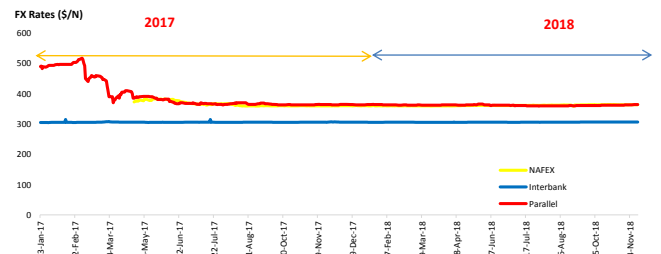
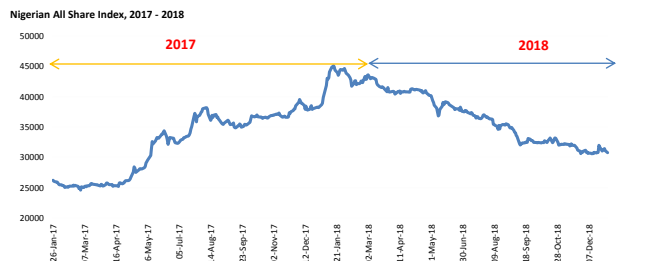
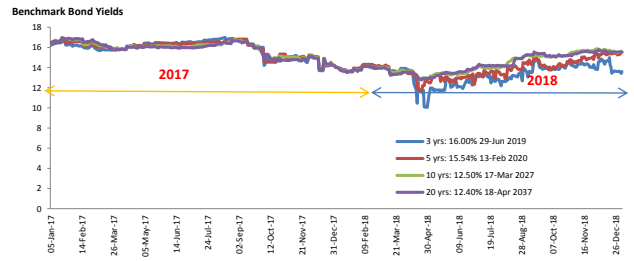
Source: FMDQ DQL for 15 February 2019

AIICO Money Market Fund (AMMF)	
Net Yield (As at current date)	13.28% 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-Mar-19	27	10.70%	10.79%
09-May-19	83	12.00%	12.34%
01-Aug-19	167	12.20%	12.92%
07-Nov-19	265	14.35%	16.02%

Select Macro-economic Indices	
Inflation % (December 2018)	11.44 (-25.57% ytd)
PMI (January 2019)	58.50
MPR (%)	14 (-5%/+2% around mid-point)
CRR (%)	22.5
Brent Crude Price US\$ pbbl	65.57 (+1.55% d/d)
External Reserve (US\$'billion)	42.86 (-0.59% ytd)
GDP % (Q4 2018)	+2.38% (Q3 2018: +1.81% y/y)
NSE All Share Index (ASI)	32,715.20 (+0.81% d/d; +4.09% ytd)
Market Capitalisation (₦'Trillion)	12.20



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