



Money Market

- System liquidity expanded its deficit position, after receiving some respite from OMO repayment from the previous session. The position sustained its three-day negative streak, closing at **NGN249.32bn**.
- As a result, the interbank funding rates soared to 32% levels by 42bps and 29bps, as the overnight and open repo rates closed at 32.67% and 32.25% respectively.
- The NTB secondary market was bullish, albeit flat at the end of the trading session. Bids were mostly seen at the curve's tail, with investors remaining cautious in line with the inflation rate and liquidity shortage. The average yield remained unchanged at 22.48%.

FX Market

- The Naira on the NAFEM depreciated to **N1,551.00/\$** from its previous session's figure of **N1,547.66/\$**, representing a 22bps depreciation. The spot rate traded between **N1,545.00/\$** and **N1,554.50/\$**.

FGN Bonds Market

- The FGN Bonds market was relatively muted as market players await the release of the Q1 2025 bond issuance calendar. A few trades were consummated on the 2031 and 2033 papers. Consequently, the average yield declined to 20.03%.

SSA Eurobonds Market

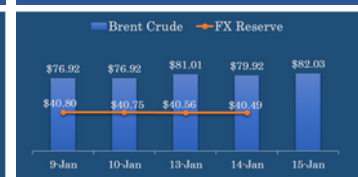
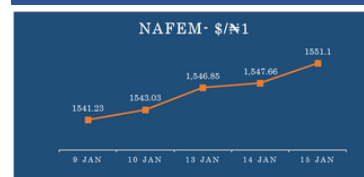
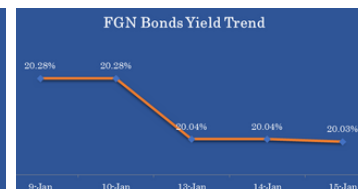
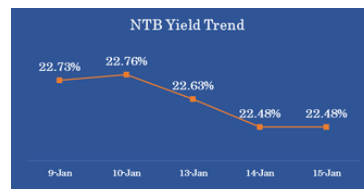
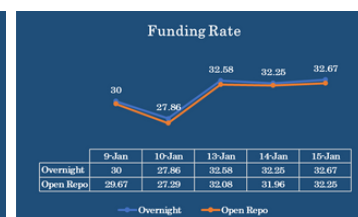
- The SSA Eurobonds market rallied on the back of the soft US CPI print, which showed the core inflation print lower than expected at 3.2% vs 3.3% exp. The Fed is now expected to effect at least, a 40bps cut throughout the year, up from 30bps that it was at before the inflation data release. Overall, the average yield on Nigeria papers declined to 9.34%.

Foreign Equities Market

- Asia-Pacific markets displayed mixed performance as investors assessed the impact of the U.S. inflation report, while the Japanese stock market edged by 0.3%. However, investors due to the Federal Reserve's hawkish tone in its last 2024 meeting. Meanwhile, China underperformed its regional peers, slipping 0.2% as market participants awaited a series of economic releases later in the week, including the full-year GDP data for 2024.
- European bourses mirrored trade on Wall Street, logging gains after the release of the soft US inflation. UK inflation printed at 2.5% in December, from 2.6% in November. Markets expect the ECB to continue cutting rates to support the weak Euro economy. As a result, the Eurostoxx 600 was up 0.3%.
- The U.S. stock market rallied on the strength of the lower-than-expected CPI and PPI prints. The Core CPI printed lower than expected (3.2% vs 3.3% exp.), while the headline figure came in just as expected. This spurred hopes that the fed would start to consider cutting rates. this sentiment was evident in the 10-year treasury yield as it began to fall, reaching 4.6% from its previous high of 4.8%. Fuelling the rally was the ceasefire agreement reached between Israel and Hamas. At the end of the trading session, the SSP 500, Dow Jones and Nasdaq were up 1.83%, 1.65%, and 2.45% respectively.

Domestic Equities Market

- The Nigerian Stock Exchange All-Share index declined by 147bps at the end of the trading session, to close at 102,095.95 points, with market capitalization closing at N62.26trillion.
- The top 5 gainers for the day were DANGSUGAR(+10.00%), SUNUASSUR(+10.00%), NASCON(+10.00%), SKYAVN(+9.95%) and AUSTINLAZ(+9.94%), while the top losers were DANGCEM(-10.00%), UNIVINSURE(-10.00%), JOHNHOLT(-9.99%), TRANSPOWER(-9.97%), and OMATEK(-9.89%).
- The market breadth was **NEGATIVE** at 0.72x as 39 losers outnumbered 28 gainers



Inflation Rate (Y-o-Y)	34.60%	↑
GDP Growth Rate (Y-o-Y)	3.19%	↑
Monetary Policy Rate (Sept2024)	27.50%	↑
Cash Reserve Ratio (Sept 2024)	50.00%	↑

16th January 2025	US retail sales MoM (0.5% vs 0.7% prev.)
16th January 2025	US initial jobless claims(209k vs 201k prev.)
16th January 2025	UK retail sales MoM (0.2% vs 0.2% prev.)

Macro News: Global and Domestic

- EIA Crude Oil Inventories reveal unexpected decline, bullish for crude prices
- US consumer prices rise by 2.9% year-on-year in December, in line with estimates
- UK economy barely grew in November after Reeves budget
- Nigeria's headline inflation rate rises to 34.80% in December 2024
- Nigeria's FX reserves drop by \$359.81 million in one week