

## Money Market

- System liquidity remained buoyed, opening at a healthy balance of NGN459.79bn, supported by inflows from OMO repayment.
- In response, the interbank funding rates declined by 110bps and 90bps, closing at 27.5% and 27% respectively.
- The NTB secondary market was bullish, focusing on the NTB auction. At the auction, the DMO had NGN515bn on offer across all standard maturities. There was some major interest in the March, April and December maturities as market players anticipated a drop in yield. As a result, the average yield closed down at 22.83%

## FX Market

- The Naira on the NAFEM depreciated to ₦1,541.7/\$ from its previous session's figure of ₦1,537.03/\$, representing a 30bps depreciation. The spot rate traded between ₦1,535.50/\$ and ₦1,544.00/\$.

## FGN Bonds Market

- The FGN Bonds market was quiet with all focus turned towards the NTB auction. Moderate bids were seen at the belly of the curve particularly the 2031 and 2034, offset by offers on the long end, the 2053. Overall, the average yield closed at 20.30%

## SSA Eurobonds Market

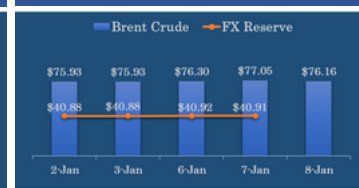
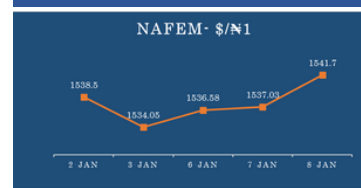
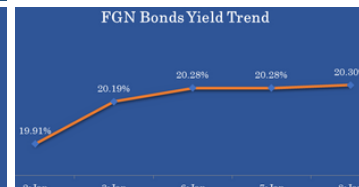
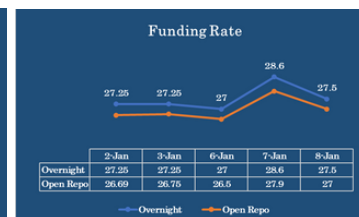
- The SSA Eurobonds market was largely bearish, owing to profit-taking activity, as investors took advantage of favourable prices. Persistent fears over Trump's trade policies and potential inflationary pressures posited a negative market trading sentiment. The average yield on Nigeria papers ticked up to 9.47%

## Foreign Equities Market

- Asia-Pacific markets ended largely bearish on Wednesday, as China faced mounting pressure from geopolitical tensions. The addition of more Chinese firms to the U.S. trade blacklist further strained U.S.-China relations, weighing on investor sentiment. In Japan, market jitters emerged following the government's call for a potential currency intervention to stabilize the yen. As a result, China's CSI 300 index fell by 0.8%, while Japan's Nikkei 225 declined by 0.3%.
- European bourses ended red, weighed by disappointing economic data and rising geopolitical tensions. Inflation data from the Eurozone revealed an uptick, prompting investors to scale back expectations of potential rate cuts. Adding to the uncertainty, a CNN report indicated that former U.S. President Trump proposed adopting an act to declare an economic emergency, paving the way for the imposition of trade tariffs. Amid these developments, the Eurostoxx 600 index closed 0.2% lower.
- The U.S. stock market closed mixed on Wednesday, with tech stocks under pressure. The Nasdaq slipped 0.06% as President Biden moved to restrict AI chip exports, dampening sentiment in the sector. Meanwhile, bond yields soared to their highest levels since April 25, fueled by concerns that trade policies linked to former President Trump could exacerbate inflationary pressures. Investors demanded higher risk premiums on long-dated maturities, signalling caution in the fixed-income market. Despite this, buying momentum in other sectors supported gains in broader indices. The S&P 500 edged by 0.16%, while the Dow Jones rose 0.25%.

## Domestic Equities Market

- The Nigerian Stock Exchange All-Share climbed by 80bps at the end of the trading session, to close at 104,230.73 points, with market capitalization closing at ₦63.56trillion.
- The top 5 gainers for the day were TRANSCORP(+10.00%), MTN(+10.00%), HONYFLOUR(+9.95%), AIICO(+9.94%) and LIVINGTRUST(+9.82%), while the top losers were SUNUASSUR(-9.99%), UNIVINSURE(-8.97%), NSLTECH(-8.11%), CONHALLPLC(-5.82%), and CILEASING(-5.65%).
- The market breadth was NEGATIVE at 0.96x as 28 losers outnumbered 27 losers.



## Domestic Macro Indicators

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

## EVENT WATCH: December

8th January 2025	NTB auction
10th January 2025	US Non-farm payrolls(200k exp vs 227k prev.)

## Macro News: Global and Domestic

- Weekly US jobless claims unexpectedly dip to 201,000
- China CPI inflation stays flat in Dec, PPI shrinks amid limited stimulus support
- FG borrowings projected to exceed N13tn target
- Nigeria needs \$60bn foreign reserves to tackle inflation – Proshare Report