

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening system liquidity settled at ₦828.40 million long, compared with ₦822.74 million recorded yesterday. Thus, the Open Repo Rate (OPR) and Overnight Rate (O/N) slipped by 7bps and 8bps to 0.86% and 1.25%, respectively.

**Outlook:** We expect rates to hover at similar levels tomorrow.

### Treasury Bills

Ahead of tomorrow's auction, activity was tilted towards a positive trend, as average yield lost 10bps to settle at 4.03%. Observably, buying interest was seen around the far mid and long dated papers, particularly February and June 2024 papers, while mild selling interest was witnessed around the belly of the curve, especially December 2023 papers.

**Outlook:** We expect the NTB auction to take center stage tomorrow, as the DMO will be offering ₦141.77 billion worth of treasury bills.

### FGN Bonds

The mixed activity in the bonds market persisted today. Few demands for 2038, 2042 and 2050 were observed, while sideways interest was seen across 2029, 2037 and 2053 papers. Overall, the average mid-yield inched up by 4bps to 12.81%.

**Outlook:** The market is expected to sustain its sideways trading tomorrow.

### Eurobonds

The Eurobonds market expressed mild excitement as regards the US CPI data release and FGN 2023 Eurobond maturity scheduled for tomorrow. Buying interest was witnessed across the SSA and North African papers, thus, causing the average yield to fall by 29bps to 10.82%.

**Outlook:** The key expected event for tomorrow's session is the US CPI data, with consensus estimates currently at 3.10% and 5.00% Y-o-Y for headline inflation and Core CPI, respectively, implying a 90bp and 30bp decline from May's inflation print.

Date	Sys. Liq. (₦bn)	Diff.
11-Jul-23	818.00	↓(10.40)
8-Jul-23	828.40	

Source: CBN

AICO Money Market Fund (AMMF)	
Net Yield (As at 10th July 2023)	11.5030%
Added Benefit	Personal accident insurance cover

Macro Indicators	
GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.41% (Mar'23: 22.04%)
External Reserve (US\$'billion)	34.06 (-8.14% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*77.22 (1.97% d/d)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates			
	11-Jul-23	08-Jul-23	Change in Rates
58 days	6.03%	6.03%	(0.00%)
121 days	5.27%	5.27%	(0.00%)
275 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 11 July 2023

Benchmark FGN Bond Yields			
	11-Jul-23	08-Jul-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	11.84%	11.85%	+0.01%
10 yrs: 12.50% 27-Apr-2032	13.62%	13.78%	+0.16%
20 yrs: 13.00% 21-Jan-2042	14.32%	14.58%	+0.26%
30 yrs: 12.98% 27-Mar-2050	14.46%	14.55%	+0.09%

Source: FMDQ DQL for 11 July 2023

Benchmark FGN Eurobond Yields			
	11-Jul-23	08-Jul-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.18%	6.18%	(0.00%)
5 yrs: NGERIA 6 1/2 11/28/27	10.38%	10.65%	+0.27%
10 yrs: NGERIA 7.875 02/16/32	10.93%	11.16%	+0.23%
15 yrs: NGERIA 7.696 23/02/38	11.30%	11.56%	+0.26%
30 yrs: NGERIA 9.248 01/21/49	11.43%	11.67%	+0.24%
7.125% ECOTRAN 16/02/26	11.83%	12.00%	+0.17%

Source: FBN UK Runs for 11 July 2023

## Nigerian Equities

The Nigerian's bourse closed on a bullish note today, as the NGX ASI appreciated by c.1.65%, to settle at 65,669.29 points, while year-to-date return settled at c 28.13%. Buying interests in DANGCEM (+9.27%) and BUACEMENT (+6.59%) drove the positive trend in today's session.

Sectorial performance was mixed today. The NGX Oil & Gas, and Industrial Goods Indices appreciated in value by 0.73%, and 7.48% respectively. While the NGX Consumer Goods and Banking Indices depreciated in value by 3.10% and 0.43%, correspondingly. CHAMS led both the volume with 91.71 million units while GTCO led the value charts with ₦ 1.09 billion.

**Outlook:** *We expect a bullish session in tomorrow's session.*

## Foreign Exchange

FMDQ's I & E rate depreciated today, as it closed at \$/₦788.42 compared to yesterday's close (\$/₦744.07). NAFEX rate as at yesterday was \$/₦757.78.).

**Outlook:** *We expect the volatility to continue, as players continue to find the true value of the Naira.*

## Commodities

Oil prices increased today on the back of a falling U.S. dollar, hopes for higher demand in the developing world and supply cuts by the world's biggest oil exporters. Brent oil prices appreciated by c. 1.97% to \$79.22pb, day-on-day, while WTI appreciated by c 2.30% day-on-day to settle at US\$74.67pb. Spot Gold appreciated by c. 0.27% day-on-day to close at US\$1,936.10 per ounce as of report time..

**Outlook:** *We expect oil prices range in tomorrow's session.*

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
SOVRENINS	0.55	0.05	↑ 10.00%
OMATEK	0.66	0.06	↑ 10.00%
CHELLARAM	1.76	0.16	↑ 10.00%
FTNCOCOA	3.85	0.35	↑ 10.00%
TRANSCOHOT	39.50	3.59	↑ 10.00%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CHIPLC	1.17	-0.13	↓ -10.00%
CHAMPION	3.92	-0.43	↓ -9.89%
MCNICHOLS	0.68	-0.07	↓ -9.33%
PZ	19.95	-2.05	↓ -9.32%
UPDCREIT	3.45	-0.35	↓ -9.21%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 1.65%	↑ 8.16%	↑ 7.71%	↑ 28.13%
NSE Banking Index	↓ -3.10%	↑ 5.46%	↑ 8.25%	↑ 67.34%
NSE Insurance Index	→ 0.00%	↓ -5.21%	↓ -4.91%	↑ 52.60%
NSE Industrial Goods Index	↑ 7.48%	↑ 20.59%	↑ 15.51%	↑ 19.74%
NSE Consumer Goods Index	↓ -0.43%	↓ 0.00%	↓ -0.83%	↑ 50.67%
NSE Oil & Gas Index	↑ 0.73%	↑ 7.10%	↑ 10.78%	↑ 85.84%

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