

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity settled at ₦849.86 million long, compared with ₦828.40 million recorded yesterday. Thus, the Open Repo Rate (OPR) and Overnight Rate (O/N) increased by 7bps and 8bps to 0.93% and 1.33%, respectively..

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

Treasury Bills

The treasury bills market closed on a bullish note today, after the early mixed sentiment that was witnessed across the mid and long-dated papers, particularly on December 2023 and June 2024. Average yield fell by 14bps to 3.89%.

Outlook: We expect the bullish theme to persist tomorrow, as unsuccessful auction bids scout for offers in the secondary market.

FGN Bonds

The local bonds market traded on a mixed-to-bullish note, with activity saturated around the 2037, 2038, 2049 and 2053 papers. Overall, average yield fell by 4bps to 12.71%. Noteworthy as well is FMDQ's commencement of the trading and settlement of FGN Bond Futures.

Outlook: The bullish posture is expected to linger tomorrow. Also, we expect activity to gradually pick-up in the derivatives market..

Eurobonds

The key event today was the US CPI data release, which slowed to 3.0%, below 4.00% in May 2023 and 3.10% estimate. Notably as well was the NGERIA 2023 paper that was redeemed today. Overall, the SSA and North African papers maintained its bullish bias, with 37bps decline in average yield to 10.45%.

Outlook: We expect the buy-side activity to intensify tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
12-Jul-23	849.86	↑ 21.46
11-Jul-23	828.40	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 11th July 2023)	11.3245%
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)	34.07 (-8.12% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*80.36 (1.22% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	12-Jul-23	11-Jul-23	Change in Rates
587 days	6.03%	6.03%	(0.00%)
120 days	5.27%	5.27%	(0.00%)
274 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 12 July 2023

Benchmark FGN Bond Yields			
	12-Jul-23	11-Jul-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	11.84%	11.84%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	13.62%	13.62%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	14.32%	14.32%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	14.35%	14.46%	+0.11%

Source: FMDQ DQL for 12 July 2023

Benchmark FGN Eurobond Yields			
	12-Jul-23	11-Jul-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.79%	10.38%	+0.59%
10 yrs: NGERIA 7.875 02/16/32	10.52%	10.93%	+0.41%
15 yrs: NGERIA 7.696 23/02/38	10.93%	11.30%	+0.37%
30 yrs: NGERIA 9.248 01/21/49	11.13%	11.43%	+0.30%
7.125% ECOTRAN 16/02/26	11.46%	11.83%	+0.37%

Source: FBN UK Runs for 12 July 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note today, as the NGX ASI depreciated by c.2.47%, to settle at 65,046.93 points, while year-to-date return settled at c 24.97%. Selling interests in FBNH (-10.00%) and DANGCEM (-9.62%) impacted the negative trend in today's session.

Sectorial performance was in the red today. The NGX Oil & Gas, and Industrial Goods Indices depreciated in value by 0.54%, and 5.39% respectively. While the NGX Consumer Goods and Banking Indices depreciated in value by 0.77% and 2.61%, correspondingly. UBA led both the volume with 177.79 million units and the value charts with ₦ 2.44 billion.

Outlook: We expect a mixed session tomorrow.

Foreign Exchange

FMDQ's I & E rate closed at \$/₦782.49 as of today.

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

Commodities

Oil prices surged above \$80 a barrel for the first time since May after U.S. inflation data suggested the interest rate hike cycle in the world's biggest economy is set to finally cool. Brent oil prices appreciated by c.0.55% to \$79.84pb, day-on-day, while WTI appreciated by c 0.88% day-on-day to settle at US\$75.49pb. Spot Gold appreciated by c. 1.40% day-on-day to close at US\$1,964.00 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
DEAPCAP	0.33	0.03	↑ 10.00%
COURTVILLE	0.88	0.08	↑ 10.00%
GOLDBREW	2.67	0.24	↑ 9.88%
TIP	0.56	0.05	↑ 9.80%
MORISON	2.58	0.23	↑ 9.79%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
TANTALIZER	0.27	-0.03	↓ -10.00%
FBNH	19.35	-2.15	↓ -10.00%
ACADEMY	2.25	-0.25	↓ -10.00%
TRANSCORP	4.23	-0.47	↓ -10.00%
VERITASKAP	0.36	-0.04	↓ -10.00%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -2.47%	↑ 4.10%	↑ 5.05%
NSE Banking Index	↓ -2.61%	↓ -3.26%	↑ 5.43%
NSE Insurance Index	↑ 6.64%	↑ 8.11%	↑ 1.41%
NSE Industrial Goods Index	↓ -5.39%	↑ 9.85%	↑ 9.28%
NSE Consumer Goods Index	↓ -0.77%	↓ -0.84%	↓ -1.59%
NSE Oil & Gas Index	↓ -0.45%	↑ 6.43%	↑ 10.28%
			↑ 24.97%
			↑ 62.98%
			↑ 62.74%
			↑ 13.29%
			↑ 49.51%
			↑ 85.00%

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