

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity settled at ₦600.47 million long, compared with ₦849.86 million recorded yesterday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) increased by 100bps and 142bps to 1.00% and 1.42%, respectively.

Outlook: *We expect rates to maintain similar levels tomorrow.*

Treasury Bills

The treasury bills market settled on a positive note in today's session, as average yield lost 3bps to 3.86%. At mid-day, selling interests were seen around the long end of the curve, particularly on the newly issued 1-year paper (11-July 2024). Towards the end of the closing bell, bids scouted for the same paper.

Outlook: *We expect the bullish theme to wane tomorrow.*

FGN Bonds

While the mixed sentiment slightly persisted today, sentiment tilted to a bearish posture. To expatiate, selling interests were found around the 2028, 2032, 2038, and 2034 papers, with mild bids for the 2053 maturities. Average yield notched up by 5bps to 12.76%.

Outlook: *We expect the market to trend sideways tomorrow, although, with weaker momentum.*

Eurobonds

Market enthusiasm lingered in today's session, with added positivism from the surge in oil prices (hitting \$80/barrel), alongside low inflation prints in the United States. Buying interests were saturated across the curve of Sub-Saharan Africa, driving yields lower by 16bps to 10.28%.

Outlook: *We expect the bullish rally to linger tomorrow.*

Date	Sys. Liq. (₦bn)	Diff.
13-Jul-23	600.47	↓(249.39)
12-Jul-23	849.86	

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 12th July 2023)	11.3068%
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 (-8.15% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*80.37 (1.22% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	13-Jul-23	12-Jul-23	Change in Rates
56 days	6.03%	6.03%	(0.00%)
119 days	5.27%	5.27%	(0.00%)
273 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 13 July 2023

Benchmark FGN Bond Yields			
	13-Jul-23	12-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	13.30%	14.35%	+1.05%

Source: FMDQ DQL for 13 July 2023

Benchmark FGN Eurobond Yields			
	13-Jul-23	12-Jul-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.60%	9.79%	+0.19%
10 yrs: NGERIA 7.875 02/16/32	10.38%	10.52%	+0.14%
15 yrs: NGERIA 7.696 23/02/38	10.81%	10.93%	+0.12%
30 yrs: NGERIA 9.248 01/21/49	11.00%	11.13%	+0.13%
7.125% ECOTRAN 16/02/26	11.48%	11.46%	(0.02%)

Source: FBN UK Runs for 13 July 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note today, as the NGX ASI depreciated by c.2.03%, to settle at 62,748.94 points, while year-to-date return settled at c 22.43%. Selling interests in FIDELITYBK (-10.00%), FBNH (-9.82%) and GTCO (-5.56%) impacted the negative trend in today's session.

Sectorial performance was in the red today, except the Industrial Goods Index which gained 0.69%. The NGX Oil & Gas, Consumer Goods and Banking Indices depreciated in value by 0.74%, 0.09% and 6.63% respectively. UBA led both the volume with 99.02 million units while GTCO led the value charts with ₦ 1.77 billion

Outlook: *We expect the bearish sentiment to ease tomorrow.*

Foreign Exchange

FMDQ's I & E rate appreciated to \$/₦746.28 as of today, compared to \$/₦782.49 recorded yesterday. NAFEX rate printed at \$/₦783.06 as of July 12, 2023.

Outlook: *We expect rates to swing sideways in the interim.*

Commodities

Oil prices rose above \$80 a barrel today, after U.S. inflation data implied interest rates in the world's biggest economy are close to their peak. Brent oil prices appreciated by c.0.16% to \$80.24pb, day-on-day, while WTI appreciated by c 0.08% day-on-day to settle at US\$75.81pb. Spot Gold appreciated by c. 0.06% day-on-day to close at US\$1,2.80 per ounce as of report time..

Outlook: *We expect oil prices to stick to its upward trend tomorrow.*

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
JOHNHOLT	1.65	0.15	↑ 10.00%
DANGSUGAR	29.85	2.70	↑ 9.94%
NASCON	25.50	2.30	↑ 9.91%
SKYAVN	13.45	1.20	↑ 9.80%
GOLDBREW	2.93	0.26	↑ 9.74%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
OMATEK	0.54	-0.06	↓ -10.00%
WEMABANK	4.50	-0.50	↓ -10.00%
FIDELITYBK	7.11	-0.79	↓ -10.00%
STANBIC	61.20	-6.80	↓ -10.00%
TRANSCOHOT	35.55	-3.95	↓ -10.00%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -2.03%	↑ 1.18%	↑ 2.92%
NSE Banking Index	↓ -6.63%	↓ -7.37%	↓ -1.56%
NSE Insurance Index	→ 0.00%	↑ 4.75%	↑ 1.41%
NSE Industrial Goods Index	↑ 0.69%	↑ 9.59%	↑ 10.04%
NSE Consumer Goods Index	↓ -0.09%	↓ -1.15%	↓ -1.69%
NSE Oil & Gas Index	↓ -0.74%	↑ 3.21%	↑ 9.46%
			↑ 22.43%
			↑ 52.18%
			↑ 62.74%
			↑ 14.07%
			↑ 49.37%
			↑ 83.64%

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