

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

Opening system liquidity settled at ₦430.12 million long, compared with ₦440.52 million recorded last week Friday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) decreased by 7bps and 16bps to 1.04% and 1.42%, respectively.

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

### Treasury Bills

Activity in the treasury bills market was less active today. Only mild selling interests were noticed around the long-dated papers. Overall, the average mid-rate closed c.7bps lower to 3.98%.

**Outlook:** *We expect activity to remain less aggressive tomorrow.*

### FGN Bonds

The bond market was muted today, with heightened tensions around expectations of the FGN bond auction result. Although, sell interests were briefly seen on the long-dated maturities, particularly 2053 maturity and buying interests on the 2050 paper. Thus, average yield fell by 6bps to 12.73%.

**Outlook:** *We expect market to be impacted by the auction result.*

### Eurobonds

The Eurobonds market was mixed today. Sub-Saharan Africa started off bearish in the early hours of trading, partly tied to China's disappointing GDP report. The second largest economy recorded 0.8% quarterly growth rate for Q2'2023 (from 2.2% in Q1'23). Afterwards, market tilted slightly bullish, with buy interests on selected papers. On the flip side, North African papers stayed in the bullish territory. Average yield declined by 4bps to 10.24%.

**Outlook:** *We expect the mixed sentiment to persist tomorrow, pending any strong catalyst.*

Date	Sys. Liq. (₦'bn)	Diff.
17-Jul-23	430.12	↓419.74)
14-Jul-23	849.86	

Source: CBN

### AIICO Money Market Fund (AMMF)

Net Yield (As at 16th July 2023)	11.2802%
Added Benefit	Personal accident insurance cover

### Macro Indicators

GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.79% (May'23: 22.41%)
External Reserve (US\$'billion)	34.05(-8.18% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.75 (-1.40% d/d)

Source: NBS, CBN, AIICO Capital

### Benchmark T-Bills Discount Rates

	17-Jul-23	14-Jul-23	Change in Rates
52 days	6.03%	6.03%	(0.00%)
115 days	5.27%	5.27%	(0.00%)
269 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 17 July 2023

### Benchmark FGN Bond Yields

	17-Jul-23	14-Jul-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	11.83%	11.84%	+0.01%
10 yrs: 12.50% 27-Apr-2032	13.63%	13.62%	(0.01%)
20 yrs: 13.00% 21-Jan-2042	14.25%	14.25%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	13.30%	13.30%	(0.00%)

Source: FMDQ DQL for 17 July 2023

### Benchmark FGN Eurobond Yields

	17-Jul-23	14-Jul-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.46%	9.49%	+0.03%
10 yrs: NGERIA 7.875 02/16/32	10.33%	10.30%	(0.03%)
15 yrs: NGERIA 7.696 23/02/38	10.77%	10.77%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	10.96%	10.93%	(0.03%)
7.125% ECOTRAN 16/02/26	11.49%	11.48%	(0.01%)

Source: FBN UK Runs for 17 July 2023

## Nigerian Equities

At the end of the first trading day of the week, the Nigerian's bourse closed on a positive note today, as the NGX ASI gained c.0.60%, to settle at 62,943.35 points, while year-to-date return settled at c 22.81. Buying interests in FBNH (+1.55%), and ACCESSCORP (+1.45%) positively impacted the trend in today's session.

Sectorial performance was in the red today, except the Banking Index which gained 7.57%. The NGX Oil & Gas, Consumer Goods and Industrial Goods Indices depreciated in value by 0.62%, 0.66% and 0.69% respectively. STERLINGNG led the volume charts with 65.95million units, while DANGCEM led the value charts with ₦ 7.49billion.

**Outlook:** *We expect the bullish sentiment to ease linger tomorrow.*

## Foreign Exchange

FMDQ's I & E rate appreciated to \$/₦795.28 as of today, compared to \$/₦803.90 recorded last week Friday. NAFEX rate printed at \$/₦772.21 as of July 14, 2023.

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

## Commodities

Oil prices fell for a second session on Monday after Libya restarted production over the weekend, while China, the world's largest crude importer, is anticipated to disclose economic data indicating that the country's post-pandemic rebound is fading. Brent oil prices decreased by c.1.40% to \$78.75pb, day-on-day, while WTI depreciated by c 1.51% day-on-day to settle at US\$74.28pb. Spot Gold depreciated by c. 0.42% day-on-day to close at US\$1,956.10 per ounce as of report time.

**Outlook:** *We expect oil prices to fall after Libya resumed production.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
DAARCOMM	0.33	0..03	↑ 10.00%
FIDELITYBK	7.37	0.67	↑ 10.00%
UNILEVER	15.95	1.45	↑ 10.00%
STERLINGNG	3.42	0.31	↑ 9.97%
JOHNHOLT	1.99	0.18	↑ 9.94%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
PZ	16.20	-1.80	↓ -10.00%
VERITASKAP	0.27	-0.03	↓ -10.00%
UBN	6.30	-0.70	↓ -10.00%
SFSREIT	69.30	-7.70	↓ -10.00%
FTNCOCOA	2.54	-0.28	↓ -9.93%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.60%	↓ -2.57%	↑ 3.24%
NSE Banking Index	↑ 7.57%	↓ -9.40%	↑ 1.21%
NSE Insurance Index	→ 0.00%	↓ -2.41%	↑ 1.41%
NSE Industrial Goods Index	↓ -0.69%	↑ 2.98%	↑ 10.67%
NSE Consumer Goods Index	↓ -0.66%	↓ -2.75%	↓ -3.15%
NSE Oil & Gas Index	↓ -0.62%	↓ -1.76%	↑ 8.05%

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