

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity settled at ₦513.33 million long, compared with ₦430.12 million recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and Overnight Rate (O/N) increased by 167bps and 200bps to 2.71% and 3.42%, respectively.

Outlook: *We expect rates to trend higher tomorrow, as market players fund for tomorrow's FGN bond auction settlement.*

Treasury Bills

The treasury bills market was relatively quiet today, with mild activity observed across the mid and long tenors. Overall, the average mid-rate remained unchanged at 3.98%.

Outlook: *We expect a similar trend tomorrow.*

FGN Bonds

The local bonds market was slightly mixed to bearish, with the bulk of activity skewed to 2038 and 2053 papers, as investors traded sideways following yesterday's oversupply at the FGN bonds auction. Nonetheless, there were few demands for 2042 and 2049 papers, thus causing the overall average mid-yield to dip by c.2bps to 12.71%.

Outlook: *We expect market to remain calm tomorrow.*

Eurobonds

The Eurobonds market traded sideways on Nigeria's curve and other SSA papers, although, with lesser volatility. Average yield inched up by 2bps to settle at 10.26%. Meanwhile, the International Monetary Fund (IMF) approved c. \$1 billion for Kenya, with an immediate disbursement of \$415.4 million, and widened the Extended Fund Facility (EFF) and Extended Credit Facility (ECF) arrangements to 48 months from 38 months, as the country continue to implement economic reforms and confront challenges with climate change.

Outlook: *We expect the mixed bias to resurface tomorrow.*

Date	Sys. Liq. (₦'bn)	Diff.
18-Jul-23	513.33	
17-Jul-23	849.86	↓336.53

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 17th July 2023)	11.5745%
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)	34.04(-8.21% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*78.56 (+0.08% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates	18-Jul-23	17-Jul-23	Change in Yield
51 days	6.03%	6.03%	(0.00%)
114 days	5.27%	5.27%	(0.00%)
268 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 18 July 2023

Benchmark FGN Bond Yields	18-Jul-23	17-Jul-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	11.83%	11.83%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	13.63%	13.63%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	14.25%	14.25%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	14.12%	14.30%	+0.18%

Source: FMDQ DQL for 18 July 2023

Benchmark FGN Eurobond Yields	18-Jul-23	17-Jul-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.65%	9.46%	(0.19%)
10 yrs: NGERIA 7.875 02/16/32	10.43%	10.33%	(0.10%)
15 yrs: NGERIA 7.696 23/02/38	10.89%	10.77%	(0.12%)
30 yrs: NGERIA 9.248 01/21/49	11.07%	10.96%	(0.11%)
7.125% ECOTRAN 16/02/26	11.43%	11.49%	+0.06%

Source: FBN UK Runs for 18 July 2023

Nigerian Equities

The Nigerian's bourse closed on a positive note today, as the NGX ASI gained c.1.31%, to settle at 63,766.72 points, while year-to-date return settled at c 24.42. Buying interests in DANGCEM (+22.00%), and ACCESSCORP (+0.30%) positively impacted the trend in today's session.

Sectorial performance was in the green today, except the Banking Index which declined by 0.17%. The NGX Oil & Gas, Consumer Goods and Industrial Goods Indices appreciated in value by 0.56%, 0.66% and 3.58% respectively. FCMB led the volume charts with 153.88million units, while DANGCEM led the value charts with ₦ 35.81billion.

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

Foreign Exchange

FMDQ's I & E rate appreciated to \$/₦742.93 as of today, compared to \$/₦795.28 recorded yesterday. NAFEX rate printed at \$/₦790.80 as of July 17, 2023.

Outlook: *We expect rates to remain impulsive in the interim.*

Commodities

Oil prices rose in early trade on Tuesday after falling the previous day due to weaker-than-expected Chinese economic growth, as investors anticipated a probable tightening of US oil supplies. Brent oil prices appreciated by c.0.08% to \$78.56pb, day-on-day, while WTI depreciated by c 0.13% day-on-day to settle at US\$74.25pb. Spot Gold appreciated by c. 0.34% day-on-day to close at US\$1,963.10 per ounce as of report time.

Outlook: *We expect oil prices to rise, as supplies tighten from the United States.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
HONYFLOUR	3.30	0.30	↑ 10.00%
NEM	5.94	0.54	↑ 10.00%
NPFMCRFBK	1.87	0.17	↑ 10.00%
ETERNA	26.05	2.35	↑ 9.92%
PZ	17.80	1.60	↑ 9.88%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
JAPAULGOLD	0.81	-0.09	↓ -10.00%
FTNCOCOA	2.29	-0.25	↓ -9.84%
COURTVILLE	0.74	-0.07	↓ -8.64%
SOVRENINS	0.45	-0.04	↓ -8.16%
NSLTECH	0.34	-0.03	↓ -8.11%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 1.31%	↓ -2.90%	↑ 4.59%
NSE Banking Index	↓ -0.17%	↓ -6.66%	↑ 1.04%
NSE Insurance Index	↑ 4.25%	↓ -8.95%	↓ -7.67%
NSE Industrial Goods Index	↑ 3.58%	↓ -0.76%	↑ 14.63%
NSE Consumer Goods Index	↑ 0.66%	↓ -1.69%	↓ -2.51%
NSE Oil & Gas Index	↑ 0.56%	↓ -1.92%	↑ 8.65%

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