

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 remain at similar levels in the interim, barring any influx of new funds to ease the liquidity strain.

Treasury Bills

The treasury bills market closed bullish today, with ample demand recorded across the long-dated papers, especially the March and June 2024 maturities. Thus, average mid-rate declined by 40bps to settle at 3.59%..

Outlook: : We expect investors to continue to cherry-pick tomorrow, although, with lesser aggression.

FGN Bonds

The local bonds traded mixed to bullish amid the FGN bond auction settlement, with most of the activity skewed towards 2026, 2028, 2038, 2050 and 2053 papers. Overall, the average mid-yield dipped by 7bps to 12.64%.

Outlook: We expect to see a mild performance tomorrow.

Eurobonds

The Eurobonds market endured a mixed to bullish theme today, with the bulk of the buy-side activity observed across Nigeria, Angola and Egypt papers. Overall, the average mid- yield settled at 10.30% across the Nigerian curve.

Outlook: We expect the market to trend sideways tomorrow.

Date	Sys. Liq. (₦'bn)	Diff.
19-Jul-23	(117.63)	↓967.49)
18-Jul-23	849.86	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 18th July 2023)	11.5309%
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	*79.64(+0.01% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	19-Jul-23	18-Jul-23	Change in Rates
50 days	2.41%	6.03%	+3.62%
113 days	3.17%	5.27%	+2.10%
267 days	5.01%	7.31%	+2.30%

Source: FMDQ DQL for 19 July 2023

Benchmark FGN Bond Yields

	19-Jul-23	18-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%	14.12%	(0.00%)

Source: FMDQ DQL for 19 July 2023

Benchmark FGN Eurobond Yields

	19-Jul-23	18-Jul-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.65%	9.65%	(0.00%)
10 yrs: NGERIA 7.875 02/16/32	10.35%	10.43%	+0.08%
15 yrs: NGERIA 7.696 23/02/38	10.79%	10.89%	+0.10%
30 yrs: NGERIA 9.248 01/21/49	10.96%	11.07%	+0.11%
7.125% ECOTRAN 16/02/26	11.13%	11.43%	+0.30%

Source: FBN UK Runs for 18 July 2023

Nigerian Equities

The Nigerian's bourse closed on a negative note today, as the NGX ASI lost c.0.01%, to settle at 63,757.23 points, while year-to-date return settled at c 24.40. Selling interests in ZENITHBANK (-0.55%), and UBA (-0.60%) negatively impacted the trend in today's session.

The NGX Consumer Goods and Oil & Gas Indices appreciated in value by 0.48% and 0.62% respectively. However, the NGX Banking and Industrial Goods Indices depreciated by 2.05% and 0.06% respectively. JAPAUFGOLD led the volume charts with 77.98million units, while GEREGU led the value charts with ₦4.86billion.

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

Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦852.25 as of today, compared to \$/₦742.93 recorded yesterday. NAFEX rate printed at \$/₦789.47 as of July 18, 2023.

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

Commodities

On Wednesday, global oil prices increased, bolstered by China's vow to promote economic growth, tighter supplies from Russia, and lower weekly US crude oil stockpiles. Brent oil prices appreciated by c.0.01% to \$79.64pb, day-on-day, while WTI depreciated by c 0.18% day-on-day to settle at US\$75.61pb. Spot Gold depreciated by c. 0.17% day-on-day to close at US\$1,977.50 per ounce as of report time.

Outlook: *We expect oil prices to rise, as supplies tightens.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
HONYFLOUR	3.63	0.33	↑ 10.00%
ETERNA	28.65	2.60	↑ 9.98%
ACADEMY	2.21	0.20	↑ 9.95%
SKYAVN	16.20	1.45	↑ 9.83%
RTBRISCOE	0.56	0.05	↑ 9.80%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
GEREGU	315.00	-35.00	↓ -10.00%
PRESTIGE	0.45	-0.05	↓ -10.00%
FTNCOCOA	2.07	-0.22	↓ -9.61%
LINKASSURE	0.70	-0.07	↓ -9.09%
JAIZBANK	1.71	-0.17	↓ -9.04%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.01%	↑ 4.57%	↑ 24.40%
NSE Banking Index	↓ -2.05%	↓ -1.04%	↑ 52.99%
NSE Insurance Index	↑ 0.52%	↓ -7.19%	↑ 48.94%
NSE Industrial Goods Index	↓ -0.06%	↑ 14.57%	↑ 18.77%
NSE Consumer Goods Index	↑ 0.48%	↓ -2.04%	↑ 48.83%
NSE Oil & Gas Index	↑ 0.62%	↑ 9.32%	↑ 83.40%

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