

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity increased to ₦810.49 billion long, compared with ₦788.93 billion recorded yesterday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 1.29bps and 1.15 bps respectively to 2.21% and 2.57%.

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

Treasury Bills

In today's session, market exhibited a subdued activity, with mixed sentiment focused at the long end of the curve, especially June & July 2024 papers. Sentiment tilted to a bearish close, as offers dominated relatively stronger than bids. At close, mid-yield increased by 18bps to settle at 7.19%.

Outlook: Tomorrow's session is expected to trend on a similar note..

FGN Bonds

The local bonds market closed on a bearish note today, after a brief buying interest was observed on selected long-dated papers earlier in the day. Overall, the average mid-yield trended up by c.15bps to close at 13.60%.

Outlook: We envisaged similar trajectory in tomorrow's session.

Eurobonds

The Eurobonds market snapped off its bullish trend to close bearish today, as average yield increased by 17bps to 10.06%. Selling interests were noticed across papers in the North and Sub-Saharan African region. Meanwhile, US Job openings data saw a modest decline on a monthly basis, while ISM Manufacturing PMI printed at 46.4, below market expectation of 46.9 but higher than 46.0 printed in May.

Outlook: We expect the US ADP employment data to be highlight of tomorrow's session, as any surprises could reaffirm or reroute the direction of the market.

Date	Sys. Liq. (₦'bn)	Diff.
1-Aug-23	810.49	↑259.03
31-Jul-23	551.46	

Source: CBN

AIICO Money Market Fund (AMMF)

Net Yield (As at 30th July 2023)	11.6240%
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)	33.95 (-8.44% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*85.33 (+0.40% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	01-Aug-23	31-Jul-23	Change in Rates
37 days	4.13%	4.13%	(0.00%)
100 days	5.25%	5.25%	(0.00%)
254 days	8.00%	8.00%	(0.00%)

Source: FMDQ DQL for 01 August 2023

Benchmark FGN Bond Yields

	01-Aug-23	31-Jul-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.54%	12.54%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	13.48%	13.48%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	14.57%	14.57%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	14.96%	14.82%	(0.14%)

Source: FMDQ DQL for 01 August 2023

Benchmark FGN Eurobond Yields

	01-Aug-23	31-Jul-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.52%	9.40%	(0.12%)
10 yrs: NGERIA 7.875 02/16/32	10.12%	9.92%	(0.20%)
15 yrs: NGERIA 7.696 23/02/38	10.55%	10.31%	(0.24%)
30 yrs: NGERIA 9.248 01/21/49	10.72%	10.56%	(0.16%)
7.125% ECOTRAN 16/02/26	10.81%	10.63%	(0.18%)

Source: FBN UK Burs for 01 August 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note today, as the NGX ASI lost c.0.23%, to settle at 64,192.20 points, while year-to-date return settled at c.25.25%. Selling interests in UBA (-0.05%) and ZENITHBANK (-0.40%) drove the negative performance today.

The NGX Banking index depreciated by 1.94%, while the Consumer Goods Index appreciated by 0.54%. However, both the Industrial Goods and Oil & Gas Indices closed flat. AIICO led the volume charts with 314.64 million units while MTNN led the value charts with ₦942.30 million.

Outlook: We expect the bearish sentiment to ease tomorrow.

Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦789.08, compared with \$/₦ 756.94 recorded yesterday.

Outlook: We expect rates to remain volatile in the interim.

Commodities

On Tuesday, oil prices were little altered, trading close to a three-month high set on Monday. This was due to signals of tightening global supply as producers implement output curbs and strong demand in the United States, the world's largest fuel consumer. Brent oil prices depreciated by c.0.32% to \$85.16pb, day-on-day, while WTI depreciated by c.0.43% day-on-day to settle at US\$81.45pb. Spot Gold depreciated by c.0.87% day-on-day to close at US\$1,991.80 per ounce as of report time.

Outlook: We expect oil supplies to tighten, as the price of oil is now at a three-month high.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
ABBEYBDS	1.10	0.10	↑ 10.00%
DANGSUGAR	29.70	2.70	↑ 10.00%
CHELLARAM	2.56	0.23	↑ 9.87%
TANTALIZER	0.34	0.03	↑ 9.68%
SUNUASSUR	0.72	0.06	↑ 9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
JOHNHOLT	1.80	-0.20	↓ -10.00%
ELLAHLAKES	3.54	-0.39	↓ -9.92%
FIDELITYBK	7.75	-0.85	↓ -9.88%
JAPAUFGOLD	0.93	-0.10	↓ -9.71%
SOVRENINS	0.57	-0.06	↓ -9.52%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.23%	↓ -2.72%	↑ 5.29%
NSE Banking Index	↓ -1.94%	↓ -6.19%	↑ 1.83%
NSE Insurance Index	→ 0.00%	↓ -0.21%	↓ -6.82%
NSE Industrial Goods Index	↑ 0.00%	↓ -0.23%	↑ 14.17%
NSE Consumer Goods Index	↑ 0.54%	↓ -3.23%	↓ -4.07%
NSE Oil & Gas Index	→ 0.00%	↑ 6.27%	↑ 20.05%
			↑ 25.25%
			↑ 57.43%
			↑ 49.54%
			↑ 18.36%
			↑ 45.74%
			↑ 101.40%

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