

# Daily Financial Market Update

**AIICO CAPITAL**
[www.aicocapital.com](http://www.aicocapital.com)

f t in @ /aicocapitalng

## MARKET COMMENTARY

### Money Market

Opening system liquidity increased to ₦839.84 billion long, compared with ₦824.00 billion recorded yesterday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 14bps and 21bps to 1.07% and 1.57%, respectively.

**Outlook:** We expect the interbank rates to remain depressed tomorrow.

### Treasury Bills

The treasury bills market was relatively active today, with buy-side interests seen on selected papers around the belly and long end of the curve, particularly 25-July 2024. As a result, average yield declined by 8bps to 7.19%.

**Outlook:** We expect the bullish rally to linger tomorrow, but on a weaker note.

### FGN Bonds

The local bonds market was dominated with offers for long-dated papers, like the 2049, 2050 and 2053 papers. At close, mid-yield increased marginally by 1bp to 13.50%, as bids remained scarce.

**Outlook:** We expect a mixed market sentiment tomorrow.

### Eurobonds

The Eurobonds market closed on a bearish note today, as yield widened by 13bps to 10.35%. The broad selling interests was a continuous response to the downgrade of US debt rating by Fitch.

**Outlook:** We expect the bearish bias to resurface tomorrow, however, partly hinged on the US Job numbers.

Date	Sys. Liq. (₦'bn)	Diff.
3-Aug-23	839.84	↑29.36
2-Aug-23	810.49	

Source: CBN

### AIICO Money Market Fund (AMMF)

Net Yield (As at 01st August 2023)	11.6925%
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	*83.10 (-0.12% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	03-Aug-23	02-Aug-23	Change in Rates
35 days	4.13%	4.13%	(0.00%)
98 days	5.25%	5.25%	(0.00%)
252 days	8.00%	8.00%	(0.00%)

Source: FMDQ DQL for 03 August 2023

Benchmark FGN Bond Yields			
	03-Aug-23	02-Aug-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%	14.96%	(0.00%)

Source: FMDQ DQL for 03 August 2023

Benchmark FGN Eurobond Yields			
	03-Aug-23	02-Aug-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.83%	9.79%	(0.04%)
10 yrs: NGERIA 7.875 02/16/32	10.39%	10.34%	(0.05%)
15 yrs: NGERIA 7.696 23/02/38	10.73%	10.71%	(0.02%)
30 yrs: NGERIA 9.248 01/21/49	10.98%	11.01%	+0.03%
7.125% ECOTRAN 16/02/26	11.69%	11.43%	(0.26%)

Source: FBN UK Repo for 03 August 2023

## Nigerian Equities

The Nigerian's bourse closed on a bullish note today, as the NGX ASI gained c.1.55%, to settle at 64,263.06 points, while year-to-date return settled at c.27.34%. Buying interests in DANGSUGAR (3.25%) and ACCESSCORP (0.90%) drove the positive performance today.

The NGX Banking, Consumer and Industrial Goods index appreciated by 3.19%, 2.24% and 0.01%, respectively, while the Oil & Gas Index lost 0.57%. STERLINGNG led the volume charts with 69.45 million units while ACCESSCORP led the value charts with ₦568.98 million.

**Outlook:** We expect a bullish sentiment tomorrow.

## Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦776.50, compared with \$/₦741.64 recorded yesterday.

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

## Commodities

After falling steeply from more than three-month highs the previous session, oil continued to decline on Thursday as a U.S. government credit rating dampened confidence. However, supply concerns offered support. Brent oil prices depreciated by c.0.12% to \$83.10pb, day-on-day, while WTI depreciated by c 0.05% day-on-day to settle at US\$79.45pb. Spot Gold depreciated by c.0.16% day-on-day to close at US\$1,971.80 per ounce as of report time.

**Outlook:** We expect Oil prices drop as U.S. ratings are downgraded, offsetting supply issues.

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
STERLINGNG	3.63	0.33	↑ 10.00%
NB	41.80	3.80	↑ 10.00%
PZ	18.15	1.65	↑ 10.00%
CHELLARAM	3.09	0.28	↑ 9.96%
DANGSUGAR	35.90	3.25	↑ 9.95%

Source: NGX, AIICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
ETERNA	23.40	-2.55	↓ -9.83%
JOHNHOLT	1.47	-0.16	↓ -9.82%
THOMASWY	1.06	-0.11	↓ -9.40%
MCNICHOLS	0.68	-0.07	↓ -9.33%
COURTVILLE	0.60	-0.06	↓ -9.09%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD	
NGX ASI	↑ 1.55%	↓ -0.34%	↑ 1.44%	↑ 27.34%
NSE Banking Index	↑ 3.19%	↓ -2.98%	↑ 0.83%	↑ 61.87%
NSE Insurance Index	→ 0.00%	↓ -0.25%	↑ 0.99%	↑ 51.02%
NSE Industrial Goods Index	↑ 0.01%	↑ 0.00%	↑ 0.23%	↑ 18.62%
NSE Consumer Goods Index	↑ 2.24%	↑ 0.20%	↑ 2.95%	↑ 49.24%
NSE Oil & Gas Index	↓ -0.57%	↓ -0.17%	↓ -0.57%	↑ 100.25%

### Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.