

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity decreased to ₦193.20 billion long, depicting 35.23% compared to the value recorded yesterday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 230bps and 160bps to 7.30% and 2.60%, respectively.

Outlook: We expect the interbank rates to expand further tomorrow, as bond auction settlement should dampen liquidity.

Treasury Bills

The treasury bills market stayed calm in today's session, in the absence of any jitters. Despite occasional offers, average yield closed flat.

Outlook: We expect the quietness to persist, alongside a bearish backdrop..

FGN Bonds

Activity in the local bonds market was relatively quiet. Offers were mostly seen on the short and long ends of the curve, but on a less aggressive note, especially on the 2027, 2028 and 2053 papers. Average yield expanded by 21bps to 13.95%.

Outlook: We expect the market to exhibit a bearish posture in the interim..

Eurobonds

The bearish performance lingered in the Nigeria's Eurobonds papers, as market continued to bake the effective value of external reserve, taking cognisance of the huge debts in foreign currencies. The tail end of the curve touched 12% during today's session and average yield settled higher at 11.56%, adding 51bps to yesterday's closing average.

Outlook: We expect the selling interest to linger tomorrow.

Date	Sys. Liq. (₦bn)	Diff.
15-Aug-23	193.21	↓(105.07)
14-Aug-23	298.28	

Source: CBN

Benchmark T-Bills Discount Rates			
	15-Aug-23	14-Aug-23	Change in Rates
86 days	5.25%	5.25%	(0.00%)
177 days	6.88%	6.88%	(0.00%)
331 days	9.31%	9.31%	(0.00%)

Source: FMDQ DQL for 15 August 2023

AIICO Money Market Fund (AMMF)	
Net Yield (As at 14th August 2023)	11.8011%
Added Benefit	Personal accident insurance cover

Benchmark FGN Bond Yields			
	15-Aug-23	14-Aug-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.52%	12.52%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	13.85%	13.85%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.04%	15.04%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.30%	15.12%	(0.18%)

Source: FMDQ DQL for 15 August 2023

Macro Indicators	
GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.79% (May'23: 22.41%)
External Reserve (US\$'billion)	33.88 (-8.62% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*85.84 (-1.12% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark FGN Eurobond Yields			
	15-Aug-23	14-Aug-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	11.02%	10.89%	(0.13%)
10 yrs: NGERIA 7.875 02/16/32	11.32%	11.16%	(0.16%)
15 yrs: NGERIA 7.696 23/02/38	11.53%	11.38%	(0.15%)
30 yrs: NGERIA 9.248 01/21/49	11.62%	11.40%	(0.22%)
7.125% ECOTRAN 16/02/26	12.12%	11.86%	(0.26%)

Source: FBN UK Runs for 15 August 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note today, as the NGX ASI depreciated by c.0.17%, to settle at 64,928.98 points, while year-to-date return settled at c.26.69%. Selling interests in UNILEVER (7.05%), and ACCESSCORP (1.17) drove the negative performance today.

All Indices closed in the red. The NGX Banking and Industrial Indices depreciated by 0.08% and 0.06%, respectively. While the NGX Consumer Goods and Oil & Gas Indices lost 0.68% and 0.40%, respectively. TRANSCORP led both the volume charts with 36.47 million units while MTNN led the value charts with ₦972.33 million.

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

Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦774.77, compared with \$/₦744.41 recorded yesterday.

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

Commodities

Oil prices edged lower today on sluggish Chinese economic figures coupled with fears that Beijing's unexpected cut in key policy rates was not sufficiently substantial to rejuvenate the country's sputtering post-pandemic recovery. Brent oil prices depreciated by c.1.55% to \$84.87pb, day-on-day, while WTI depreciated by c 1.81% day-on-day to settle at US\$81.02pb. Spot Gold depreciated by c.-0.23% day-on-day to close at US\$1,936.60 per ounce as of report time.

Outlook: *We expect oil prices to remain elevated in the interim.*

Top 5 Equity Advancers				
Name (Symbol)	Closing Price	Gain(N)		% Change
TANTALIZER	0.44	0.04	↑	10.00%
IKEJAHOTEL	3.13	0.28	↑	9.82%
CORNERST	1.41	0.12	↑	9.30%
TIP	1.11	0.09	↑	8.82%
LINKASSURE	0.91	0.07	↑	8.33%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
ETERNA	16.00	-1.75	↓ -9.86%
SUNUASSUR	0.94	-0.10	↓ -9.62%
OMATEK	0.34	-0.03	↓ -8.11%
UNILEVER	14.50	-1.10	↓ -7.05%
AIICO	0.67	-0.04	↓ -5.63%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.17%	↓ -0.58%	↑ 26.69%
NSE Banking Index	↓ -0.08%	↓ -1.37%	↑ 61.27%
NSE Insurance Index	→ 0.00%	↑ 1.12%	↑ 55.48%
NSE Industrial Goods Index	↓ -0.06%	↓ -1.48%	↑ 16.84%
NSE Consumer Goods Index	↓ -0.68%	↓ -1.03%	↑ 48.70%
NSE Oil & Gas Index	↓ -0.40%	↓ -1.03%	↑ 96.93%

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