

Daily Financial Market Update

AIICO CAPITAL
www.aiocapital.com
[f](#) [t](#) [in](#) [@](#) /aiiocapitalng

MARKET COMMENTARY

Money Market

Opening system liquidity decreased to ₦33.55 billion long, compared to ₦191.21 billion recorded yesterday, due to the FGN bond auction settlement that took place today. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 1,176bps and 1,124bps to 19.06% and 19.64%, respectively.

Outlook: We expect the interbank rates to remain at its double-digit levels tomorrow.

Treasury Bills

The treasury bills market was bearish today, with selling interests across the curve, especially August 8 (2024) paper. As a result, average yield increased by 33bps to 7.54%.

Outlook: We expect a similar trend to persist today.

FGN Bonds

The local bonds market was bearish today, albeit, on a less aggressive note. Most of the activity was skewed to the long end of the curve. Thus, the average mid-yield increased by 6bps to 14.01%.

Outlook: We expect the bearish bias to linger tomorrow.

Eurobonds

The Nigeria's Eurobonds market started bearish but closed on a positive note, as buyers showed interests for some papers towards the close of today's session. Ghana papers stayed bearish; Egypt was mixed while Angola papers traded on a positive note. Average yield fell by 14bps to 11.42%.

Outlook: We expect a mixed market tomorrow, as investors digest the details of the US FOMC meeting minutes that will be released later today.

Date	Sys. Liq. (₦bn)	Diff.
16-Aug-23	33.55	↓(159.66)
15-Aug-23	193.21	

Source: CBN

Benchmark T-Bills Discount Rates			
	16-Aug-23	15-Aug-23	Change in Rates
85 days	5.25%	5.25%	(0.00%)
176 days	6.88%	6.88%	(0.00%)
330 days	9.31%	9.31%	(0.00%)

Source: FMDQ DQL for 16 August 2023

AIICO Money Market Fund (AMMF)	
Net Yield (As at 15th August 2023)	11.9409%
Added Benefit	Personal accident insurance cover

Benchmark FGN Bond Yields			
	16-Aug-23	15-Aug-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.06%	12.52%	(0.54%)
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%	15.30%	(0.00%)

Source: FMDQ DQL for 16 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 (-8.69% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*85.07 (+0.17% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark FGN Eurobond Yields			
	16-Aug-23	15-Aug-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.78%	11.02%	+0.24%
10 yrs: NGERIA 7.875 02/16/32	11.24%	11.32%	+0.08%
15 yrs: NGERIA 7.696 23/02/38	11.42%	11.53%	+0.11%
30 yrs: NGERIA 9.248 01/21/49	11.54%	11.62%	+0.08%
7.125% ECOTRAN 16/02/26	12.38%	12.12%	(0.26%)

Source: FBN UK Runs for 16 August 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note today, as the NGX ASI dipped by c.0.47%, to settle at 64,625.28 points, while year-to-date return settled at c.26.10%. Selling interests in AIRTELAFRI (5.30%), and GTCO (0.53) drove the negative performance today.

The NGX Banking Index closed at 0.44%. While the NGX Consumer Goods and Oil & Gas Index appreciated by 2.42% and 0.36%. GTCO led both the volume charts with 41.75 million units while AIRTELAFRI led the value charts with ₦1.81 billion..

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

Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦759.86, compared with \$/₦774.77 recorded yesterday.

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

Commodities

Oil and Gold prices ranged today, ahead of the release of the minutes from the Federal Reserve's July policy meeting, although higher bond yields kept bullion prices near six-week lows. Brent oil prices depreciated by c.0.08% to \$84.82pb, day-on-day, while WTI depreciated by c 0.17% day-on-day to settle at US\$80.85pb. Spot Gold depreciated by c.-0.03% day-on-day to close at US\$1,935.70 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
ETERNA	17.60	1.60	↑	10.00%
CWG	3.28	0.26	↑	8.61%
FTNCOCOA	2.15	0.14	↑	6.97%
LIVESTOCK	1.90	0.10	↑	5.56%
VITAFOAM	21.90	1.00	↑	4.78%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NEM	5.40	-0.60	↓ -10.00%
SUNUASSUR	0.86	-0.08	↓ -8.51%
GUINEAINS	0.35	-0.03	↓ -7.89%
CORNERST	1.31	-0.10	↓ -7.09%
OMATEK	0.32	-0.02	↓ -5.88%

Source: NGX, AIICO Capital

	W-o-W		MTD	YTD
NGX ASI	↓ -0.47%	↑ 0.71%	↑ 0.45%	↑ 26.10%
NSE Banking Index	↓ -0.44%	↓ -1.45%	↑ 0.02%	↑ 60.56%
NSE Insurance Index	↑ 0.21%	↑ 0.21%	↑ 4.19%	↑ 55.80%
NSE Industrial Goods Index	↑ 0.00%	↑ 3.54%	↓ -1.28%	↑ 16.84%
NSE Consumer Goods Index	↑ 2.42%	↑ 1.64%	↑ 5.06%	↑ 52.30%
NSE Oil & Gas Index	↑ 0.36%	↓ -0.48%	↓ -1.86%	↑ 97.64%

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.