

Daily Financial Market Update

AIICO CAPITAL
www.aiocapital.com

f t in @ /aiiocapitalng

MARKET COMMENTARY

Money Market

Opening system liquidity improved to ₦177.47 billion long, compared to ₦33.55 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased by 236bps and 176bps to 21.42% and 21.40%, respectively.

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

Treasury Bills

The treasury bills market was bearish earlier today, as offers scouted for bids, especially on the medium to long end of the curve (February and August 2023). By close of market however, few bids resurfaced to match the available offers. Overall, the average mid-rate closed at c.6.99%.

Outlook: We expect the mixed theme to persist tomorrow.

FGN Bonds

The local bonds market retreated slightly to a bullish theme, as participants considered maturities with attractive yield levels. Thus, the average mid-yield declined by 2bps to 13.99%.

Outlook: We expect some cherry-picking activities tomorrow.

Eurobonds

The Nigeria's Eurobonds market continued to enjoy positive sentiment from the \$3 billion loan secured between NNPC and Afrexim bank. While Angola posted a positive theme, Ghana's curve suffered some selloffs. Overall, the average yield shed 48bps to 10.93%.

Outlook: We expect the bullish bias to resurface tomorrow.

Date	Sys. Liq. (₦'bn)	Diff.
17-Aug-23	177.47	
16-Aug-23	33.55	↑ 143.93

Source: CBN

AIICO Money Market Fund (AMMF)	
Net Yield (As at 15th August 2023)	11.9409%
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)	33.85 (-8.73% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*84.28 (+0.99% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	17-Aug-23	16-Aug-23	Change in Rates
84 days	5.25%	5.25%	(0.00%)
175 days	6.88%	6.88%	(0.00%)
329 days	9.31%	9.31%	(0.00%)

Source: FMDQ DQL for 17 August 2023

Benchmark FGN Bond Yields			
	17-Aug-23	16-Aug-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.07%	13.06%	(0.01%)
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 17 August 2023

Benchmark FGN Eurobond Yields			
	17-Aug-23	16-Aug-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.46%	10.78%	+0.32%
10 yrs: NGERIA 7.875 02/16/32	11.01%	11.24%	+0.23%
15 yrs: NGERIA 7.696 23/02/38	11.25%	11.42%	+0.17%
30 yrs: NGERIA 9.248 01/21/49	11.38%	11.54%	+0.16%
7.125% ECOTRAN 16/02/26	12.21%	12.38%	+0.17%

Source: FBN UK Runs for 17 August 2023

Nigerian Equities

The Nigerian's bourse closed on a bearish note today, as the NGX ASI declined by c.0.27%, to settle at 64,448.96 points, while year-to-date return settled at c.25.75%. Selling interests in FBNH (+3.61%), and FIDELITYBK (+2.74) drove the positive performance today.

The NGX Banking and Industrial Goods Index declined by 0.44%, and 0.03% respectively. While the NGX Consumer Goods and Oil & Gas Index appreciated by 0.34% and 0.06%, respectively. FIDELITYBK led both the volume charts and value charts with 80.05 million units and ₦595.54 million.

Outlook: We expect the bearish sentiment to linger tomorrow.

Foreign Exchange

FMDQ's I & E rate appreciated to \$/₦740.67, compared with \$/₦759.86 recorded yesterday.

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

Commodities

Oil prices advanced in today's session after China's central bank sought to stem the rising tide of pessimism over the country's property market and wider economy.. Brent oil prices appreciated by c.1.43% to \$84.64pb, day-on-day, while WTI depreciated by c 1.74% day-on-day to settle at US\$80.76pb. Spot Gold depreciated by c.-0.06% day-on-day to close at US\$1,927.20 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
JOHNHOLT	1.32	0.12	↑ 10.00%
CWG	3.60	0.32	↑ 9.76%
PRESTIGE	0.52	0.04	↑ 8.33%
CUTIX	2.70	0.20	↑ 8.00%
LINKASSURE	0.98	0.07	↑ 7.69%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
GUINEAINS	0.32	-0.03	↓ -8.57%
RTBRISCOE	0.45	-0.04	↓ -8.16%
CHIPLC	0.85	-0.07	↓ -7.61%
SUNUASSUR	0.80	-0.06	↓ -6.98%
DEAPCAP	0.28	-0.02	↓ -6.67%

Source: NGX, AIICO Capital

	W-o-W		MTD	YTD
NGX ASI	↓ -0.27%	↓ -1.16%	↑ 0.17%	↑ 25.75%
NSE Banking Index	↓ -0.47%	↓ -2.11%	↓ -0.46%	↑ 59.80%
NSE Insurance Index	→ 0.00%	↓ -0.40%	↑ 4.19%	↑ 55.80%
NSE Industrial Goods Index	↓ -0.03%	↓ -1.23%	↓ -1.31%	↑ 16.81%
NSE Consumer Goods Index	↑ 0.34%	↑ 2.56%	↑ 5.42%	↑ 52.82%
NSE Oil & Gas Index	↑ 0.06%	↓ -0.42%	↓ -1.81%	↑ 97.76%

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.