

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

Opening system liquidity improved to ₦339.72 billion, compared with ₦260.79 billion, recorded yesterday, bolstered by FAAC credits. As a result, the Open Repo Rate (OPR) fell by 2067bps to 2.50%, while the Overnight Rate (O/N) declined by 2080bps to 3.10%.

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

### Treasury Bills

In today's session, treasury bills market closed on a bullish note, due to some cherry-picking activity witnessed on the belly and long end of the curve, particularly the February and August 2024 papers. Consequently, average yield dipped by 24bps to close at 7.70%.

**Outlook:** We expect the buy-side activity to continue in the interim given the attractive levels of yields across the curve and improved liquidity.

### FGN Bonds

The bonds market was relatively quiet, with few activity noticed on selected papers, especially the 2053 maturity with some buying interests. Average yield closed flat at 14.14%.

**Outlook:** We expect the cherry-picking to continue tomorrow.

### Eurobonds

The Eurobonds market resumed fully today, with positive performance across the curve of Africa's papers. Meanwhile, the US Job opening data fell below expectation at 8.82 million in July, from 9.58 million in June. Average yield scored 10.80% at the end of today's session, implying a contraction of 10bps.

**Outlook:** The US ADP Employment data and GDP is expected to dictate market activity tomorrow, in the absence of any other major market-moving even.

Date	Sys. Liq. (₦'bn)	Diff.
29-Aug-23	339.72	
28-Aug-23	(280.63)	↑620.35

Source: CBN

### AIICO Money Market Fund (AMMF)

Net Yield (As at 28th August 2023)	11.6418%
Added Benefit	Personal accident insurance cover

### Macro Indicators

GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	24.08% (May'23: 22.41%)
External Reserve (US\$'billion)	33.73 (-9.04% YTD)
Monetary Policy Rate	18.75%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*84.47 (+0.06% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	29-Aug-23	28-Aug-23	Change in Yield
72 days	3.94%	3.94%	(0.00%)
163 days	6.38%	6.38%	(0.00%)
317 days	10.50%	10.50%	(0.00%)

Source: FMDQ DQL for 29 August 2023

Benchmark FGN Bond Yields			
	29-Aug-23	28-Aug-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.05%	13.05%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.61%	14.61%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.04%	15.04%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.40%	15.45%	+0.05%

Source: FMDQ DQL for 29 August 2023

Benchmark FGN Eurobond Yields			
	29-Aug-23	28-Aug-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.08%	10.19%	+0.11%
10 yrs: NGERIA 7.875 02/16/32	10.86%	10.93%	+0.07%
15 yrs: NGERIA 7.696 23/02/38	11.12%	11.19%	+0.07%
30 yrs: NGERIA 9.248 01/21/49	11.34%	11.36%	+0.02%
7.125% ECOTRAN 16/02/26	12.19%	12.31%	+0.12%

## Nigerian Equities

The Nigerian's bourse closed on a bullish note, as the NGX ASI increased by c.0.51%, to settle at 66,490.34 points, while year-to-date return settled at c.29.73%. Buying interests in FBNH (+0.25%), and ZENITHBANK (+0.75) drove the positive performance today.

The NGX Oil & Gas Index depreciated by 0.09%. While the Banking, Consumer Goods and Industrial Goods Indices appreciated by 1.63%, 0.99% and 0.21% respectively. FBNH led the volume charts with 55.15 million units while NESTLE led the value charts with ₦1.32 billion.

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

## Foreign Exchange

FMDQ's I & E rate depreciated to \$/₦775.34, compared with \$/₦772.92 recorded yesterday.

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

## Commodities

Oil prices remained steady on Tuesday as concerns that more potential US interest rate hikes could dampen demand were offset by concerns that a tropical storm off the US Gulf Coast could disrupt supply. Brent oil prices appreciated by c.0.06% to \$84.47pb, day-on-day, while WTI appreciated by c. 0.05% day-on-day to settle at US\$80.14pb. Spot Gold appreciated by c.0.27% day-on-day to close at US\$1,952.10 per ounce as of report time.

**Outlook:** We expect oil prices to remain stable as supply fears outweigh demand concerns.

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
FLOURMILL	33.00	3.00	↑ 10.00%
CHAMPION	3.19	0.29	↑ 10.00%
NASCON	54.10	4.90	↑ 9.96%
DANGSUGAR	57.45	5.20	↑ 9.95%
NAHCO	22.10	2.00	↑ 9.95%

Source: NGX, AICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
LINKASSURE	0.90	-0.10	↓ -10.00%
CWG	4.05	-0.45	↓ -10.00%
CHELLARAM	3.57	-0.39	↓ -9.85%
PRESTIGE	0.46	-0.05	↓ -9.80%
UPL	2.15	-0.23	↓ -9.66%

Source: NGX, AICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.51%	↑ 1.53%	↑ 3.35%
NSE Banking Index	↑ 1.63%	↓ -1.65%	↓ -3.26%
NSE Insurance Index	↓ -1.56%	↓ -1.64%	↑ 1.98%
NSE Industrial Goods Index	↑ 0.21%	↑ 0.18%	↑ 0.46%
NSE Consumer Goods Index	↑ 0.99%	↑ 9.52%	↑ 25.54%
NSE Oil & Gas Index	↓ -0.09%	↓ -1.59%	↓ -4.25%
			↑ 92.83%

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