

# Daily Financial Market Update

**AIICO CAPITAL**
[www.aicocapital.com](http://www.aicocapital.com)
[f](#) [t](#) [in](#) [@](#) /aicocapitalng

## MARKET COMMENTARY

### Money Market

Opening system liquidity improved to ₦640.08 billion, compared with ₦339.72 billion, recorded yesterday. As a result, the Open Repo Rate (OPR) increased by 8bps to 2.58%, while the Overnight Rate (O/N) declined by 10bps to 3.00%.

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

### Treasury Bills

The treasury bills market closed on a bearish note today, as yield improved on several papers, given the less aggressive demand and possibility of an OMO auction later this week. As a result, the average mid-yield nudged up by 28bps to 8.06%.

**Outlook:** We expect a similar trend tomorrow.

### FGN Bonds

The Eurobonds market closed on a bearish note across the African curves, amid fresh reports of a military coup in Gabon and weakened US economic data. For context, the US GDP grew at 2.1% in Q2'2023 below 2.4% estimate, while ADP employment data showed that 177k jobs were added in August, lower than market forecast of 195k jobs. Thus, the average yield surged by 12bps to 10.92%.

**Outlook:** The PCE Price Index, amongst other economic data on our watch, should drive activity 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.
30-Aug-23	640.08	↑300.36
29-Aug-23	339.72	

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)	33.68 (-9.17% 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			
	30-Aug-23	29-Aug-23	Change in Rates
71 days	3.50%	3.94%	+0.44%
162 days	6.38%	6.38%	(0.00%)
316 days	10.50%	10.50%	(0.00%)

Source: FMDQ DQL for 30 August 2023

Benchmark FGN Bond Yields			
	30-Aug-23	29-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%	15.40%	(0.00%)

Source: FMDQ DQL for 30 August 2023

Benchmark FGN Eurobond Yields			
	30-Aug-23	29-Aug-23	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	10.28%	10.08%	(0.20%)
10 yrs: NGERIA 7.875 02/16/32	10.99%	10.86%	(0.13%)
15 yrs: NGERIA 7.696 23/02/38	11.27%	11.12%	(0.15%)
30 yrs: NGERIA 9.248 01/21/49	11.42%	11.34%	(0.08%)
7.125% ECOTRAN 16/02/26	12.13%	12.19%	+0.06%

Source: FBN UK Runs for 30 August 2023

## Nigerian Equities

The Nigerian's bourse closed on a bearish note, as the NGX ASI decreased by c.0.08%, to settle at 66,439.53 points, while year-to-date return settled at c.29.64%. Selling interests in TRANSCORP (-0.70%), and ACCESSCORP (-0.05) drove the negative performance today.

The NGX Banking and Oil & Gas Indices depreciated by 0.64% and 0.02% respectively. While the Consumer Goods and Industrial Goods Indices appreciated by 0.32% and 0.11% respectively. TRANSCORP led both the volume charts and the value charts with 292.41 million units and ₦2.15 billion, respectively.

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

## Foreign Exchange

FMDQ's I & E rate appreciated to \$/₦738.18, compared with \$/₦772.92 recorded yesterday.

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

## Commodities

Oil prices rose further on Wednesday after data showed a significant draw in oil stocks in the United States, the world's largest fuel user, and as a hurricane in the Gulf of Mexico put investors on edge. Brent oil prices appreciated by c.0.61% to \$86.01pb, day-on-day, while WTI appreciated by c. 0.74% day-on-day to settle at US\$81.76pb. Spot Gold appreciated by c.0.03% day-on-day to close at US\$1,965.60 per ounce as of report time.

**Outlook:** *We expect oil prices to climb as the United States stockpiles deplete.*

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
CHIPLC	1.10	0.10	↑ 10.00%
CAPHOTEL	2.75	0.25	↑ 10.00%
UPL	2.36	0.21	↑ 9.77%
CHAMPION	3.50	0.31	↑ 9.72%
THOMASWY	2.17	0.19	↑ 9.60%

Source: NGX, AICO Capital

### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
TRANSCORP	6.31	-0.70	↓ -9.99%
CWG	3.65	-0.40	↓ -9.88%
IKEJAHOTEL	2.84	-0.31	↓ -9.84%
FTNCOCOA	2.04	-0.18	↓ -8.11%
RTBRISCOE	0.42	-0.03	↓ -6.67%

Source: NGX, AICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.08%	↑ 3.27%	↑ 29.64%
NSE Banking Index	↓ -0.64%	↓ -3.89%	↑ 54.29%
NSE Insurance Index	↑ 1.46%	↓ -0.59%	↑ 54.73%
NSE Industrial Goods Index	↑ 0.11%	↑ 0.58%	↑ 19.04%
NSE Consumer Goods Index	↑ 0.32%	↑ 25.94%	↑ 82.57%
NSE Oil & Gas Index	↓ -0.02%	↓ -4.28%	↑ 92.78%

#### Important Disclaimers

This document has been issued and approved by AICO 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 AICO Capital clients who are then expected to make their own investment decisions. AICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AICO 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 AICO 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.

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