

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Monday 10 June | 2024

Money Market

System liquidity remained in deficit today at ₦212.99 billion, lower than the ₦90.43 billion reported last week Friday. As a result, the Open Repo Rate (OPR) increased by 43 bps to 30.38%, while the Overnight Rate (O/N) rose by 44 bps to 31.09%.

Outlook: We expect interbank rates to stay elevated in the interim.

Treasury Bills

The treasury bills market had a quiet trading session today, with minimal activity observed for the longer-dated papers. Due to the increase in yields for several papers, the market closed on a bearish note, with the average mid-rate rising by 44 bps to 20.36%.

Outlook: We expect a similar trend tomorrow.

FGN Bonds

The local FGN bonds market had a relatively quiet session, with most activity revolving around the 2033 paper, albeit with less intensity. By the end of the session, the market settled slightly bearish, as the mid-yield increased by 1 bps to 18.56%.

Outlook: We expect a quiet session tomorrow.

Eurobonds

The African Eurobonds market posted a bearish sentiment today, suggesting market expectation for a stickier US inflation data. As of print time, consensus estimate stood at 3.40% and 0.30% for yearly and monthly CPI, respectively. Consequently, market closed bearish, as the average mid-yield increased by 9bps to 9.86%.

Outlook: We expect market to trade on cautious note tomorrow, with likelihood of closing bearish ahead of critical data.

| Benchmark T-Bills Discount Rates | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 10-Jun-24 | 07-Jun-24 | Change in Rates |
| 97 days | 19.00% | 19.00% | → 0.00% |
| 181 days | 19.10% | 19.10% | → 0.00% |
| 321 days | 20.45% | 20.45% | → 0.00% |

Source: FMDQ DQL for 10 June 2024

| Benchmark FGN Bond Yields | | | |
|-----------------------------|-----------|-----------|-----------------|
| | 10-Jun-24 | 07-Jun-24 | Change in Yield |
| 5 yrs: 16.2884% 17-Mar-2027 | 18.50% | 18.50% | → 0.00% |
| 10 yrs: 12.50% 27-Apr-2032 | 19.71% | 19.70% | ↑ 0.01% |
| 20 yrs: 13.00% 21-Jan-2042 | 17.00% | 17.00% | → 0.00% |
| 30 yrs: 12.98% 27-Mar-2050 | 17.50% | 17.50% | → 0.00% |

Source: FMDQ DQL for 10 June 2024

| Benchmark FGN Eurobond Yields | | | |
|-------------------------------|-----------|-----------|-----------------|
| | 10-Jun-24 | 07-Jun-24 | Change in Yield |
| 5 yrs: NGERIA 6 1/2 11/28/27 | 8.71% | 8.71% | → 0.00% |
| 10 yrs: NGERIA 7.875 02/16/32 | 10.13% | 10.06% | ↑ 0.07% |
| 15 yrs: NGERIA 7.696 23/02/38 | 10.66% | 10.54% | ↑ 0.12% |
| 30 yrs: NGERIA 9.248 01/21/49 | 10.42% | 10.33% | ↑ 0.09% |
| 7.125% ECOTRAN 16/02/26* | 7.93% | 7.68% | ↑ 0.25% |

Source: FBNH UK Runs for 10 June 2024

| Date | Sys. Liq. (₦'bn) | Diff. |
|-----------|------------------|------------|
| 10-Jun-24 | -213.00 | |
| 7-Jun-24 | -90.43 | ↓ (122.57) |

Source: CBN

| NAME OF FUND | EFFECTIVE YIELD (%) |
|-------------------------|---------------------|
| AIICO MONEY MARKET FUND | 18.15 |
| AIICO BALANCED FUND | 5.96 |
| AIICO EUROBOND FUND* | 6.27 |

As of 09 June 2024

| Macro Indicators | |
|---------------------------------|------------------------------|
| GDP (Q1 2024) | +2.98% (Q4: 2023 +3.46% y/y) |
| Inflation (April'2024) | 33.69% (Mar'24: 33.20%) |
| External Reserve (US\$'billion) | 32.80 (-0.33% YTD) |
| Monetary Policy Rate | 26.25% |
| Cash Reserve Requirement (CRR) | 45.00% |
| Brent Crude Price US\$/bbl | *81.35 (+2.17 d/d) |

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed bullish today, as All-Share Index appreciated by 0.58% to settle at 99,793.71 points. Year-to-date return and market capitalization settled at 33.46% and ₦56.45 trillion. The market breadth showed a ratio of 3.00x (30 advancers to 10 decliners).

The key bullish movers were TOTAL (+9.98%), ACCESSCORP (+9.86%), FIDELITYBK (+6.52%), UBA (+2.86%) and NB (+2.38%), while WAPCO (-2.22%), and FCMB (-0.63%) closed bearish.

Consequently, trading activity improved today, with a 148.33% increase in total volume traded and 83.55% increase in total value traded.

All sectorial indices closed bullish except industrial index which lost 0.08%. The Banking, Consumer Goods and Oil & Gas Indices gained 2.71%, 0.31%, and 3.13%, respectively. FIDELITYBK led both the volume charts with 605.26 million units and value chart with ₦6.03 billion.

Outlook: *We expect tomorrow's session to stay mixed.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange Market (NAFEX) appreciated by ₦0.37 (or 0.02%) to \$/₦1,483.62 compared to \$/₦1,483.99 recorded last week Friday.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil prices increased today after a significant decline at the close of last week on Friday. Brent crude rose by 1.91% to \$81.14 per barrel, while WTI increased by 2.17% to \$77.17 per barrel. Additionally, Gold regained some ground today following its biggest daily drop in three-and-a-half years in the last session, as investors awaited US inflation data and the Federal Reserve's decision on interest rates this week. Gold prices fell by 0.08% to \$2,323.30 per ounce at the time of writing.

Outlook: *We expect the volatility to persist.*

| Top 5 Equity Advancers | | | |
|------------------------|---------------|---------|----------|
| Name (Symbol) | Closing Price | Gain(N) | % Change |
| FLOURMILL | 41.80 | 3.80 | ↑ 10.00% |
| TOTAL | 353.60 | 32.10 | ↑ 9.98% |
| ACCESSCORP | 18.95 | 1.70 | ↑ 9.86% |
| CHAMS | 1.69 | 0.15 | ↑ 9.74% |
| VERITASKAP | 0.69 | 0.06 | ↑ 9.52% |

Source: NGX, AIICO Capital

| Top 5 Equity Decliners | | | |
|------------------------|---------------|---------|----------|
| Name (Symbol) | Closing Price | Loss(N) | % Change |
| ETRANZACT | 4.55 | -0.50 | ↓ -9.90% |
| DAARCOMM | 0.57 | -0.06 | ↓ -9.52% |
| UNITYBANK | 1.12 | -0.08 | ↓ -6.67% |
| CHAMPION | 2.80 | -0.20 | ↓ -6.67% |
| WAPIC | 0.68 | -0.02 | ↓ -2.86% |

Source: NGX, AIICO Capital

| | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|----------|
| NGX ASI | ↑ 0.58% | ↑ 0.68% | ↑ 0.50% | ↑ 33.46% |
| NSE Banking Index | ↑ 2.71% | ↑ 2.95% | ↑ 2.08% | ↓ -9.28% |
| NSE Insurance Index | ↑ 0.59% | ↓ -1.31% | ↑ 1.44% | ↑ 15.81% |
| NSE Industrial Goods Index | ↓ -0.08% | ↑ 0.01% | ↓ -0.08% | ↑ 72.94% |
| NSE Consumer Goods Index | ↑ 0.31% | ↑ 0.70% | ↑ 0.64% | ↑ 40.40% |
| NSE Oil & Gas Index | ↑ 3.13% | ↑ 2.94% | ↑ 2.94% | ↑ 27.73% |

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