

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Tuesday 11 June | 2024

Money Market

System liquidity remained in deficit today at ₦261.96 billion, lower than the ₦212.99 billion reported yesterday. Nevertheless, the Open Repo Rate (OPR) declined by 35 bps to 30.03%, while the Overnight Rate (O/N) fell by 46 bps to 30.63%.

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

Treasury Bills

The treasury bills market had a mixed start to today's session, with the majority of activity observed at the long end of the curve. By the end of the day, the market closed bullish, as there was an increase in bids and fewer offers. As a result, the average mid-rate declined by 47 basis points to 19.88%.

Outlook: We expect Thursday's activity to be skewed towards the NTB auction, where the DMO will be offering treasury bills worth ₦44.23 billion.

FGN Bonds

The local FGN bonds market showed a mixed trend today. Bids and offers were scattered across selected papers, but less aggressive. By the market close, the local bonds market settled bearish, with the mid-yield increasing by 1 basis point to 18.57%.

Outlook: We expect similar trend on Thursday.

Eurobonds

The African Eurobonds market had a mixed session due to anticipation of tomorrow's US CPI data. The Nigerian, Kenyan, and Angolan curves showed a mixed bias, while the Egyptian curve was bullish. Nigeria's curve settled on a bullish note, with buying interest on the short end and selling interest on the long end. The average mid-yield decreased by 2bps to 9.84%.

Outlook: We expect tomorrow's sentiment to be hinged on US CPI data and Fed's interest rate decision.

Benchmark T-Bills Discount Rates			
	11-Jun-24	10-Jun-24	Change in Rates
93 days	19.00%	19.00%	→ 0.00%
177 days	19.10%	19.10%	→ 0.00%
317 days	20.55%	20.55%	→ 0.00%

Source: FMDQ DQL for 11 June 2024

Benchmark FGN Bond Yields			
	11-Jun-24	10-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%	19.71%	→ 0.00%
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 11 June 2024

Benchmark FGN Eurobond Yields			
	11-Jun-24	10-Jun-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.76%	8.71%	↑ 0.05%
10 yrs: NGERIA 7.875 02/16/32	10.13%	10.13%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.68%	10.66%	↑ 0.02%
30 yrs: NGERIA 9.248 01/21/49	10.44%	10.42%	↑ 0.02%
7.125% ECOTRAN 16/02/26*	7.93%	7.93%	→ 0.00%

Source: FBNH UK Runs for 11 June 2024

Date	Sys. Liq. (₦'bn)	Diff.
11-Jun-24	-261.96	
10-Jun-24	-213.00	↓ (48.97)

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	*81.85 (+0.27 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

Today, the Nigerian stock market closed on a bearish note with the All-Share Index decreasing by 0.16% to settle at 99,630.51 points. The year-to-date return and market capitalization stood at 33.24% and ₦56.36 trillion, respectively. The market breadth showed a ratio of 1.53x (29 advancers to 19 decliners). MTNN (-4.04%) had a negative impact on the overall market performance, although there was continued buying interest in TOTAL (+9.98%) and PRESCO (+9.97%).

Trading activity was mixed, with a decrease of 11.89% in total volume traded and an increase of 22.62% in total value traded. All sectorial indices closed higher, with the Banking, Consumer Goods, and Oil & Gas Indices gaining 0.71%, 0.10%, and 2.08%, respectively. The Industrial Goods Index increased by 0.01%. FIDELITYYBK led both the volume and value charts with 293.18 million units and ₦2.93 billion in value traded..

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange Market (NAFEX) appreciated by ₦9.96 (or 0.67%) to \$/₦1,473.66 compared to \$/₦1,483.62 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil prices rose today as OPEC maintained its strong demand forecasts, anticipating steady economic growth ahead. Brent crude increased by 0.27% to reach \$81.85 per barrel, while WTI saw a 0.15% increase to hit \$77.86 per barrel. Additionally, gold prices rose by 0.19% to \$2,331.20 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
TOTAL	388.90	35.30	↑ 9.98%
PRESCO	323.20	29.30	↑ 9.97%
UPDC	1.33	0.12	↑ 9.92%
FTNCOCOA	1.25	0.11	↑ 9.65%
CHAMS	1.85	0.16	↑ 9.47%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NASCON	36.80	-4.05	↓ -9.91%
THOMASWY	1.59	-0.17	↓ -9.66%
MAYBAKER	5.60	-0.43	↓ -7.13%
CILEASING	2.80	-0.20	↓ -6.67%
CONHALLPLC	1.38	-0.06	↓ -4.17%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.16%	↑ 0.52%	↑ 0.33%	↑ 33.24%
NSE Banking Index	↑ 0.71%	↑ 3.68%	↑ 2.81%	↓ -8.63%
NSE Insurance Index	↑ 1.17%	↓ -0.16%	↑ 2.63%	↑ 17.16%
NSE Industrial Goods Index	↑ 0.01%	↑ 0.01%	↓ -0.07%	↑ 72.95%
NSE Consumer Goods Index	↑ 0.10%	↑ 0.80%	↑ 0.75%	↑ 40.54%
NSE Oil & Gas Index	↑ 2.08%	↑ 5.09%	↑ 5.09%	↑ 30.39%

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