

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Thursday 20 June | 2024

### Money Market

System liquidity opened short at ₦532.03 billion, down from ₦768.39 billion reported yesterday. Nevertheless, the Open Repo Rate (OPR) declined by 265 bps to 23.71%, while the Overnight Rate (O/N) decreased by 260 bps to 24.54%.

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

### Treasury Bills

Today, the treasury bills market had a quiet but mixed session. There were bids and offers for treasury bills maturing in February, April, and June 2025. By the end of the day, the market closed on a bearish note, with the average mid-rate increasing by 13 bps to 19.96%.

**Outlook:** We expect the mixed trend to persist tomorrow, although, with a likelihood of closing bearish, given the deficit system liquidity.

### FGN Bonds

The local FGN bonds market had a quiet session albeit with a bearish sentiment due to several offers on the 2026, 2033, 2037, and 2038 maturities. Overall, the market closed relatively flat, as the average mid-yield settled at 18.62%.

**Outlook:** We expect market to trade cautiously tomorrow.

### Eurobonds

The SSA and North African Eurobonds experienced a bearish theme today, with selling interests observed across most papers. In the US, Initial Jobless came in at 238k, lesser than 243k seen in preceding period but surpassed 235k market estimate, while US Housing Starts, came in at 1.28 million, weaker than both market forecast (1.38 million) and preceding data (1.35 million). Overall, Nigerian papers closed bearish, as average mid-yield increased by 14bps to 10.16%.

**Outlook:** We expect the African Eurobonds market to be partly impacted US S&P flash manufacturing and services PMI.

Benchmark T-Bills Discount Rates			
	20-Jun-24	19-Jun-24	Change in Rates
84 days	19.00%	19.00%	→ 0.00%
168 days	19.10%	19.10%	→ 0.00%
308 days	20.55%	20.55%	→ 0.00%

Source: FMDQ DQL for 20 June 2024

Benchmark FGN Bond Yields			
	20-Jun-24	19-Jun-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.66%	18.52%	↑ 0.14%
10 yrs: 12.50% 27-Apr-2032	19.55%	19.72%	↓ -0.17%
20 yrs: 13.00% 21-Jan-2042	17.50%	17.01%	↑ 0.49%
30 yrs: 12.98% 27-Mar-2050	17.50%	17.50%	→ 0.00%

Source: FMDQ DQL for 20 June 2024

Benchmark FGN Eurobond Yields			
	20-Jun-24	19-Jun-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.00%	8.77%	↑ 0.23%
10 yrs: NGERIA 7.875 02/16/32	10.43%	10.19%	↑ 0.24%
15 yrs: NGERIA 7.696 23/02/38	10.98%	10.72%	↑ 0.26%
30 yrs: NGERIA 9.248 01/21/49	10.70%	10.49%	↑ 0.21%
7.125% ECOTRAN 16/02/26*	7.86%	7.77%	↑ 0.09%

Source: FBNH UK Runs for 20 June 2024

Date	Sys. Liq. (₦'bn)	Diff.
20-Jun-24	-532.03	
19-Jun-24	768.40	↓ (1,300.43)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.58
AIICO BALANCED FUND	6.95
AIICO EUROBOND FUND	6.42

### As of 18 June 2024

Macro Indicators	
GDP (Q1 2024)	+2.98% (Q4: 2023 +3.46% y/y)
Inflation (May'2024)	33.95% (Apr'24: 33.69%)
External Reserve (US\$'billion)	33.30 (+1.19% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*85.67 (+0.69 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market experienced minimal change, with the All-Share Index inching up by 0.002% to close at 99,842.94 points, compared to 99,840.95 points yesterday. This resulted in a year-to-date return of 33.53% (up from 33.52% yesterday) and a market capitalization of ₦56.48 trillion. The market breadth showed a ratio of 2.06x, with 35 advancers and 17 decliners.

Despite some stocks closing positively, the bullish sentiment was offset by certain mid-cap stocks such as FIDELITYBK (-4.15%) and FBNH (-0.45%).

Trading activity was mixed, with a 6.04% decline in total volume and a 53.64% increase in value traded. The Banking, Industrial, and Consumer Goods Indices saw gains of 0.75%, 0.02%, and 0.22% respectively, while the Oil & Gas Index remained unchanged. FBNH led both the volume and value charts with 871.08 million units and ₦19.12 billion in value traded.

**Outlook:** *We expect the mixed trend to persist.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange Market (NAFEX) depreciated by ₦2.34 (or 0.16%) to \$/₦1,485.36 compared to \$/₦1,483.02 recorded yesterday.

**Outlook:** *We expect volatility to persist.*

## Commodities

U.S. crude oil prices surged to over \$82 per barrel today, as inventories of oil and gasoline declined. Brent crude rose by 0.43% to \$85.44 per barrel, while WTI increased by 0.45% to \$81.94 per barrel. Additionally, gold prices saw a 0.94% increase, reaching \$2,368.50 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
CHAMPION	3.56	0.32	↑ 9.88%
VERITASKAP	0.89	0.08	↑ 9.88%
ROYALEX	0.67	0.06	↑ 9.84%
RTBRISCOE	0.67	0.06	↑ 9.84%
CHAMS	2.13	0.19	↑ 9.79%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
TRANSCOHOT	90.00	-10.00	↓ -10.00%
REGALINS	0.43	-0.04	↓ -8.51%
LASACO	2.02	-0.13	↓ -6.05%
NEM	9.00	-0.55	↓ -5.76%
FIDELITYBK	10.40	-0.45	↓ -4.15%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.00%	↑ 0.01%	↑ 0.55%	↑ 33.53%
NSE Banking Index	↑ 0.72%	↑ 0.43%	↑ 4.26%	↓ -7.35%
NSE Insurance Index	↑ 0.29%	↓ -0.03%	↑ 4.45%	↑ 19.24%
NSE Industrial Goods Index	↑ 0.02%	↑ 0.28%	↑ 0.29%	↑ 73.58%
NSE Consumer Goods Index	↑ 0.22%	↑ 0.47%	↑ 1.52%	↑ 41.62%
NSE Oil & Gas Index	→ 0.00%	↑ 0.08%	↑ 5.17%	↑ 30.49%

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