

Actionable Market Insights, delivered daily.

AIICO CAPITAL

MARKET COMMENTARY

DATE: Wednesday 26 June | 2024

Money Market

Opening system liquidity eased to ₦567.50 billion from ₦921.73 billion recorded yesterday. Overall, the Open Repo Rate (OPR) increased by 23 bps to 23.68%, while the Overnight Rate (O/N) increased by 10 bps to 24.14%.

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

Treasury Bills

The treasury bills market was quiet as many participants focused on the NTB auction. By the closing bell, the market was bearish, as yields rose in expectation of higher stop rates. Overall, the average mid-rate increased 10 bps to 20.16%.

Outlook: We expect a mixed trend tomorrow.

FGN Bonds

The local FGN bonds market was calm today, with minimal activity observed on the 2033 and 2053 maturities. Overall, the market closed flat at 18.82%.

Outlook: We expect activity to stay quietly mixed tomorrow.

Eurobonds

The African Eurobonds market showed a mixed bias. The Sub-Saharan Africa (SSA) curve was bullish overall, except for Ghana bonds, which experienced a bearish bias. Egypt's curve also trended bullish. Consequently, the Nigerian curve settled bullish, with the average mid yield decreasing by 5 bps to 10.09%.

Outlook: We expect similar session tomorrow, pending any major surprises on US GDP report. Market currently expects 1.40%.

Benchmark T-Bills Discount Rates			
	26-Jun-24	25-Jun-24	Change in Rates
78 days	19.00%	19.00%	→ 0.00%
162 days	19.10%	19.10%	→ 0.00%
302 days	20.55%	20.55%	→ 0.00%

Source: FMDQ DQL for 26 June 2024

Benchmark FGN Bond Yields			
	26-Jun-24	25-Jun-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.67%	18.67%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.00%	19.55%	↓ -1.55%
20 yrs: 13.00% 21-Jan-2042	17.50%	17.50%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.50%	17.50%	→ 0.00%

Source: FMDQ DQL for 26 June 2024

Benchmark FGN Eurobond Yields			
	26-Jun-24	25-Jun-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.01%	8.96%	↑ 0.05%
10 yrs: NGERIA 7.875 02/16/32	10.35%	10.46%	↓ -0.11%
15 yrs: NGERIA 7.696 23/02/38	10.85%	10.98%	↓ -0.13%
30 yrs: NGERIA 9.248 01/21/49	10.63%	10.71%	↓ -0.08%
7.125% ECOTRAN 16/02/26*	7.78%	7.78%	→ 0.00%

Source: FBNH UK Runs for 26 June 2024

Date	Sys. Liq. (₦'bn)	Diff.
26-Jun-24	567.50	
25-Jun-24	921.73	↓ (354.22)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.89
AIICO BALANCED FUND	6.49
AIICO EUROBOND FUND	6.94

As of 25 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)	33.91 (+3.04% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*84.91 (-0.11 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equity market ended on a positive note today, with the All-Share Index rising by 0.17% to 99,385.44 points. The year-to-date return and market capitalization settled at 32.91% and ₦56.22 trillion, respectively. Market breadth showed a ratio of 2.69x, with 35 advancers and 13 decliners. The bullish sentiment was driven by increased buying interests and relatively few sellers.

Trading activity saw a 23.57% increase in total volume and a 33.15% increase in value traded. The Banking and Consumer Goods Indices appreciated by 0.76% and 0.27%, respectively, while the Industrial and Oil & Gas Indices remained unchanged. ACCESSCORP led both the volume and value charts with 45.34 million units and ₦859.39 billion, respectively.

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

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange Market (NAFEX) depreciated by ₦7.04 (or 0.47%) to \$/₦1,507.83 compared to \$/₦1,500.79 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

U.S. crude oil futures edged lower today, as oil and gasoline inventories rose. Brent crude oil prices dropped by 0.22% to \$85.22, while WTI increased by 0.05% to \$80.87. Gold prices fell by 0.79% to \$2,312.40 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
FTNCOCOA	1.54	0.14	↑ 10.00%
OANDO	13.75	1.25	↑ 10.00%
CWG	6.60	0.60	↑ 10.00%
CILEASING	3.28	0.28	↑ 9.33%
VERITASKAP	0.96	0.08	↑ 9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.54	-0.06	↓ -10.00%
CORNERST	2.01	-0.19	↓ -8.64%
ROYALEX	0.61	-0.05	↓ -7.58%
TANTALIZER	0.46	-0.02	↓ -4.17%
UNIVINSURE	0.35	-0.01	↓ -2.78%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.17%	↓ -0.54%	↑ 0.09%	↑ 32.91%
NSE Banking Index	↑ 0.76%	↓ -0.73%	↑ 2.23%	↓ -9.14%
NSE Insurance Index	↑ 0.08%	↑ 0.61%	↑ 4.92%	↑ 19.79%
NSE Industrial Goods Index	→ 0.00%	↓ -0.24%	↑ 0.02%	↑ 73.12%
NSE Consumer Goods Index	↑ 0.27%	↓ -0.35%	↑ 1.03%	↑ 40.94%
NSE Oil & Gas Index	→ 0.00%	↑ 0.21%	↑ 5.30%	↑ 30.65%

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