

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Monday 01 July | 2024

### Money Market

The opening system liquidity balance fell into a deficit of ₦175.14 billion from the previous ₦514.517 billion recorded last Friday. As a result, the Open Repo Rate (OPR) rose by 102 bps to 25.19%, while the Overnight Rate (O/N) increased by 82 bps to 25.82%.

**Outlook:** We expect interbank rates to nudge higher tomorrow.

### Treasury Bills

The treasury bills market was less active today. As a result, market closed flat as average mid-rate remained at 20.47%.

**Outlook:** We expect a bearish session tomorrow.

### FGN Bonds

The local FGN bonds market was also quiet today, although, with slight sell interest. Thus, the market closed relatively bearish, as the average mid-yield increased marginally by 1bp to 18.85%.

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

### Eurobonds

The African Eurobonds market experienced a bearish bias today. Consequently, the Nigerian curve ended the session on a bearish note, as average mid yield increased by 18bps to 10.21%.

**Outlook:** Tomorrow, we expect Jerome Powell's speech and Job Openings to impact market sentiment.

Benchmark T-Bills Discount Rates			
	01-Jul-24	28-Jun-24	Change in Rates
72 days	19.00%	19.00%	→ 0.00%
157 days	19.10%	19.10%	→ 0.00%
297 days	21.06%	21.06%	→ 0.00%

Source: FMDQ DQL for 01 July 2024

Benchmark FGN Bond Yields			
	01-Jul-24	28-Jun-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.68%	18.67%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	18.00%	18.00%	→ 0.00%
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 01 July 2024

Benchmark FGN Eurobond Yields			
	01-Jul-24	28-Jun-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.15%	9.02%	↑ 0.13%
10 yrs: NGERIA 7.875 02/16/32	10.51%	10.33%	↑ 0.18%
15 yrs: NGERIA 7.696 23/02/38	10.94%	10.75%	↑ 0.19%
30 yrs: NGERIA 9.248 01/21/49	10.71%	10.58%	↑ 0.13%
7.125% ECOTRAN 16/02/26*	8.04%	7.87%	↑ 0.17%

Source: FBNH UKRuns for 01 July 2024

	Sys. Liq. (₦bn)	Diff.
1-Jul-24	-175.14	
28-Jun-24	514.17	↓ (689.31)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.56
AIICO BALANCED FUND	6.93
AIICO EUROBOND FUND	6.95

As of 28 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)	34.19 (+3.89% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	* 86.35 (+1.59 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian equity market closed bearish today, as the All-Share Index decreased by 0.04% to 100,020.83 points. The year-to-date return and market capitalization settled at 33.76% and ₦56.58 trillion, respectively. Market breadth showed a ratio of 2.71x, with 20 advancers and 28 decliners.

Trading activity was negative, with -46.11% and -62.44%, for the total volume and values traded, correspondingly. UCAP led both the volumes and values chart with 26.63 million units and ₦737.25 billion, respectively.

**Outlook:** *We expect the mixed bias to linger.*

## Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange Market (NAFEX) depreciated by ₦3.69 (or 0.25%) to \$/₦1,508.99 compared to \$/₦1,505.30 recorded last week Friday.

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

## Commodities

Today, there was a bullish sentiment in the crude oil market, as Brent prices increased by 1.65% to reach \$86.40, and WTI prices rose by 1.85% to \$83.05. Meanwhile, gold prices fell by 0.05% to \$2,338.50 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
LINKASSURE	1.10	0.10	↑ 10.00%
AFRIPRUD	9.00	0.80	↑ 9.76%
UNITYBNK	1.69	0.15	↑ 9.74%
WAPIC	0.73	0.06	↑ 8.96%
SOVRENINS	0.49	0.04	↑ 8.89%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
ETRANZACT	4.50	-0.50	↓ -10.00%
FIDSON	13.50	-1.45	↓ -9.70%
CORNERST	1.90	-0.20	↓ -9.52%
LASACO	2.31	-0.24	↓ -9.41%
UPDCRET	5.00	-0.45	↓ -8.26%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGXASI	↓ -0.04%	↑ 0.72%	↑ 0.73%	↑ 33.76%
NSEBanking Index	↓ -0.08%	↑ 2.11%	↑ 4.03%	↓ -7.54%
NSEInsurance Index	↓ -1.17%	↑ 1.07%	↑ 5.11%	↑ 20.01%
NSEIndustrial Goods Index	→ 0.00%	↓ -0.16%	↑ 0.03%	↑ 73.14%
NSEConsumer Goods Index	↓ -0.11%	↓ -0.24%	↑ 1.00%	↑ 40.89%
NSEOil & Gas Index	↓ -0.01%	↑ 5.71%	↑ 11.31%	↑ 38.11%

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