

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Tuesday 02 July | 2024

### Money Market

Opening system liquidity stayed negative today. Consequently, the Open Repo Rate (OPR) increased by 631 bps to 31.50%, while the Overnight Rate (O/N) increased by 610 bps to 31.92%.

**Outlook:** We expect interbank rates to stay elevated tomorrow.

### Treasury Bills

The treasury bills market had a mixed to bearish theme today, driven by tight liquidity and mild demand for long dated papers. As a result, average mid-rate increased to 21.15% from 20.47% yesterday.

**Outlook:** We expect a bearish bias to persist.

### FGN Bonds

The local FGN bonds market also trended bearish, with average mid-yield increasing by 4bps to 18.89%, due to tight system liquidity.

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

### Eurobonds

The African Eurobonds market showed a mixed trend today, with buying interest observed across Nigeria, Angola, and Egypt papers, while Ghana bonds continue to trade lower prices.

Jerome Powell, during his speech in Portugal today, stated that he expects headline inflation to remain between 2% and 2.5% over the next year, and he would consider that a "great outcome".

At the end of trading, the average mid-yield for the Nigerian curve fell by 11bps to 10.10%.

**Outlook:** Tomorrow, we expect ADP Employment data and minutes of FOMC's meeting to drive market sentiment.

Benchmark T-Bills Discount Rates			
	02-Jul-24	01-Jul-24	Change in Rates
72 days	19.00%	19.00%	➡ 0.00%
156 days	19.10%	19.10%	➡ 0.00%
296 days	21.06%	21.06%	➡ 0.00%

Source: FMDQ DQL for 02 July 2024

Benchmark FGN Bond Yields			
	02-Jul-24	01-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.68%	18.68%	➡ 0.00%
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 02 July 2024

Benchmark FGN Eurobond Yields			
	02-Jul-24	01-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.02%	9.15%	⬇ -0.13%
10 yrs: NGERIA 7.875 02/16/32	10.38%	10.51%	⬇ -0.13%
15 yrs: NGERIA 7.696 23/02/38	10.84%	10.94%	⬇ -0.10%
30 yrs: NGERIA 9.248 01/21/49	10.65%	10.71%	⬇ -0.06%
7.125% ECOTRAN 16/02/26*	8.13%	8.04%	⬆ 0.09%

Source: FBNH UK Runs for 02 July 2024

	NAFEM RATE (\$/N)	Diff.
2-Jul-24	1,509.45	
1-Jul-24	1,508.99	⬆ 0.46

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
2-Jul-24	-554.84	
1-Jul-24	-175.14	⬇ (379.70)

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 bullish today, as the All-Share Index increased by 0.05% to 100,067.77 points. The year-to-date return and market capitalization settled at 33.783% and ₦56.61 trillion, respectively. Market breadth showed a ratio of 0.92x, with 22 advancers and 24 decliners.

Trading activity was positive, with +33.11% and +10.86%, for the total volume and values traded, respectively. UNIVINSURE led the volumes chart while UCAP led the values chart ₦711.31 billion, respectively.

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

## Foreign Exchange

Naira depreciated against the USD by 0.03% to \$/₦1,509.45.

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

## Commodities

Today, crude oil prices showed a mixed trend due to concerns about a potential conflict between Israel and the Iran-backed militia Hezbollah, as well as the possible impact of Hurricane Beryl on Gulf Coast refineries. Brent prices rose by 0.01% to reach \$86.61, while WTI prices declined by 0.25% to \$83.17. Additionally, gold prices fell by 0.28% to \$2,332.40 per ounce at the time of this report.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
CORNERST	2.09	0.19	↑ 10.00%
JAIZBANK	2.21	0.20	↑ 9.95%
WAPIC	0.80	0.07	↑ 9.59%
FIDSON	14.75	1.25	↑ 9.26%
GUINEAINS	0.37	0.03	↑ 8.82%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
RTBRISCOE	0.64	-0.07	↓ -9.86%
CUTIX	4.10	-0.30	↓ -6.82%
CILEASING	3.00	-0.20	↓ -6.25%
PRESTIGE	0.51	-0.03	↓ -5.56%
CWG	8.00	-0.45	↓ -5.33%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.05%	↑ 0.86%	↑ 0.77%	↑ 33.83%
NSE Banking Index	↑ 0.79%	↑ 3.35%	↑ 4.86%	↓ -6.81%
NSE Insurance Index	↑ 1.99%	↑ 2.25%	↑ 7.21%	↑ 22.39%
NSE Industrial Goods Index	↓ -0.01%	↑ 0.00%	↑ 0.03%	↑ 73.13%
NSE Consumer Goods Index	↓ -0.34%	↓ -0.11%	↑ 0.65%	↑ 40.41%
NSE Oil & Gas Index	↓ -0.03%	↑ 5.68%	↑ 11.28%	↑ 38.07%

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