

# Actionable Market Insights, delivered daily.



DATE: Thursday 04 July | 2024

## MARKET COMMENTARY

### Money Market

Opening system liquidity remained at a deficit balance today. Consequently, the Open Repo Rate (OPR) increased by 22 bps to 31.92%, while the Overnight Rate (O/N) increased by 16 bps to 32.44%.

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

### Treasury Bills

The treasury bills market closed bearish today, with selling interest observed around the belly and long end of the curve. Average mid-rate increased by 8bps to 21.24%.

**Outlook:** We expect a bearish sentiment to persist in the interim.

### FGN Bonds

The local FGN bonds market had a calm trading session today, with minimal interests on 2033 and 2053, amongst other papers. Thus, average mid-yield remained unchanged at 18.93%.

**Outlook:** We expect a similar trend tomorrow.

### Eurobonds

The African Eurobonds market was less active due to the US holiday, but closed slightly bullish. At the end of trading, the average mid-yield for the Nigerian curve fell by 5bps to 10.00%.

**Outlook:** We expect the US Non-Farm Payroll to impact market sentiment tomorrow.

Benchmark T-Bills Discount Rates			
	04-Jul-24	03-Jul-24	Change in Rates
70 days	19.00%	19.00%	➡ 0.00%
154 days	19.10%	19.10%	➡ 0.00%
294 days	21.60%	21.60%	➡ 0.00%

Source: FMDQ DQL for 04 July 2024

Benchmark FGN Bond Yields			
	04-Jul-24	03-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.80%	18.68%	⬆ 0.12%
10 yrs: 12.50% 27-Apr-2032	18.01%	18.00%	⬆ 0.01%
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 04 July 2024

Benchmark FGN Eurobond Yields			
	04-Jul-24	03-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.07%	9.12%	⬇ -0.05%
10 yrs: NGERIA 7.875 02/16/32	10.18%	10.28%	⬇ -0.10%
15 yrs: NGERIA 7.696 23/02/38	10.69%	10.73%	⬇ -0.04%
30 yrs: NGERIA 9.248 01/21/49	10.52%	10.57%	⬇ -0.05%
7.125% ECOTRAN 16/02/26*	8.13%	8.13%	➡ 0.00%

Source: FBNH UK Runs for 04 July 2024

	NAFEM RATE (\$/N)	Diff.
4-Jul-24	1,520.24	
3-Jul-24	1,512.61	⬆ 7.63

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
4-Jul-24	-1,341.44	
3-Jul-24	-1,264.53	⬇ (76.91)

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)	34.43 (+4.62% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*86.44 (+0.23 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian equity market closed bearish today, as the All-Share Index declined by 0.24% to 100,063.32 points. The year-to-date return and market capitalization settled at 33.82% and ₦56.60 trillion, respectively. Market breadth showed a ratio of 0.96x, with 24 advancers and 25 decliners. FIDELITYBK led both the volumes and values chart with 539.39 million and ₦5.66 billion, respectively.

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

## Foreign Exchange

Naira depreciated against the USD by 0.50% to \$/₦1,520.24.

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

## Commodities

Oil prices fell today after the U.S. employment and business activity data came in weaker than expected, in signs the economy may be cooling in the world's top oil consuming nation. Brent prices rose by 0.11% to reach \$87.44, while WTI prices increased by 0.06% to \$83.94. Additionally, gold prices decreased by 0.05% to \$2,368.60 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
OANDO	15.50	1.40	↑ 9.93%
CONOIL	115.00	10.00	↑ 9.52%
VERITASKAP	1.05	0.09	↑ 9.38%
NEIMETH	1.64	0.13	↑ 8.61%
JAIZBANK	2.28	0.16	↑ 7.55%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
DAARCOMM	0.44	-0.04	↓ -8.33%
UPDCREIT	5.00	-0.45	↓ -8.26%
GUINEAINS	0.36	-0.03	↓ -7.69%
UPL	2.10	-0.15	↓ -6.67%
MTNN	200.00	-14.00	↓ -6.54%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.24%	↑ 0.67%	↑ 0.77%	↑ 33.82%
NSE Banking Index	↑ 2.12%	↑ 5.35%	↑ 8.91%	↓ -3.21%
NSE Insurance Index	↑ 0.15%	↑ 4.95%	↑ 10.23%	↑ 25.85%
NSE Industrial Goods Index	↓ -0.06%	↑ 0.10%	↑ 0.14%	↑ 73.32%
NSE Consumer Goods Index	↓ -0.01%	↓ -0.60%	↑ 0.67%	↑ 40.43%
NSE Oil & Gas Index	↑ 1.43%	↑ 1.40%	↑ 12.88%	↑ 40.05%

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