

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Tuesday 09 July | 2024

Money Market

Opening system liquidity remained in the negative territory. Consequently, the Open Repo Rate (OPR) increased by 35 bps to 32.02%, while the Overnight Rate (O/N) expanded by 27 bps to 32.55%.

Outlook: We expect interbank rates to remain elevated tomorrow.

Treasury Bills

The treasury bills market showed mixed activity today. There were selling interests observed on Jan - Mar 2024 bills, while mild buying was seen on June 2024 papers. On average, the mid-rate decreased by c.9 bps, settling at 21.40%.

Outlook: We expect activity to be skewed towards the NTB auction tomorrow.

FGN Bonds

The local FGN bonds market extended its bearish bias in today's trading session. Offers saturated across several papers. As a result, the average mid-yield increased by 4 bps to 18.96%.

Outlook: We expect a similar trend tomorrow.

Eurobonds

The African Eurobonds market showed a bearish trend today, with selling interest seen across the board. During today's testimony at the US House of Senate, Fed Chair Jerome Powell expressed concern that maintaining high interest rates for an extended period could potentially harm economic growth. Overall, the average mid-yield for the Nigerian curve rose by 10 bps to 9.84%.

Outlook: We expect the bearish sentiment to linger tomorrow.

Benchmark T-Bills Discount Rates			
	09-Jul-24	08-Jul-24	Change in Rates
107 days	20.00%	19.02%	↑ 0.98%
198 days	22.01%	20.15%	↑ 1.86%
317 days	21.50%	21.50%	→ 0.00%
Source: FMDQ DQL for 09 July 2024			
Benchmark FGN Bond Yields			
	09-Jul-24	08-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.81%	18.81%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.01%	18.01%	→ 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 09 July 2024			
Benchmark FGN Eurobond Yields			
	09-Jul-24	08-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.85%	8.80%	↑ 0.05%
10 yrs: NGERIA 7.875 02/16/32	9.97%	9.89%	↑ 0.08%
15 yrs: NGERIA 7.696 23/02/38	10.48%	10.40%	↑ 0.08%
30 yrs: NGERIA 9.248 01/21/49	10.38%	10.32%	↑ 0.06%
7.125% ECOTRAN 16/02/26*	8.22%	8.22%	→ 0.00%
Source: FBNH UK Runs for 09 July 2024			

	NAFEM RATE (\$/N)	Diff.
9-Jul-24	1,532.58	
8-Jul-24	1,523.85	↑ 8.73

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
9-Jul-24	-1,175.36	
8-Jul-24	-1,440.76	↑ 265.40

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.35
AIICO BALANCED FUND	7.36
AIICO EUROBOND FUND	6.69

As of 05 July 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)	34.77 (+5.65% 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

Today, the Nigerian equity market closed on a bearish note with the All-Share Index declining by 0.20% to 99,805.95 points. The year-to-date return and market capitalization settled at 33.48% and ₦56.46 trillion, respectively. VERITASKAP led the volumes chart with 36.30 million units, while GTCO topped the values chart with ₦1.08 billion.

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

Foreign Exchange

Naira depreciated against the USD by 0.57% to ₦1,532.58.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices fell today, as the Gulf Coast production and refining infrastructure seemed to have escaped significant damage from Tropical Storm Beryl. Thus, Brent prices declined by 0.69% to \$85.16, while WTI prices dropped by 0.51% to \$81.91. In addition, gold prices rose by 0.10% to \$2,365.00 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
CHAMPION	3.31	0.30	↑ 9.97%
CADBURY	18.25	1.65	↑ 9.94%
ETERNA	16.70	1.50	↑ 9.87%
INTENEGINS	1.56	0.14	↑ 9.86%
UPDCREIT	4.55	0.40	↑ 9.64%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
AFRIPRUD	8.10	-0.90	↓ -10.00%
UACN	14.00	-1.10	↓ -7.28%
RTBRISCOE	0.65	-0.05	↓ -7.14%
IKEJAHOTEL	7.00	-0.40	↓ -5.41%
AIICO	1.10	-0.06	↓ -5.17%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.20%	↓ -0.26%	↑ 0.51%	↑ 33.48%
NSE Banking Index	↓ -1.90%	↑ 1.46%	↑ 6.38%	↓ -5.45%
NSE Insurance Index	↓ -0.12%	↑ 1.51%	↑ 8.82%	↑ 24.24%
NSE Industrial Goods Index	↑ 0.04%	↑ 0.27%	↑ 0.30%	↑ 73.60%
NSE Consumer Goods Index	↑ 0.28%	↓ -0.21%	↑ 0.44%	↑ 40.12%
NSE Oil & Gas Index	↑ 0.39%	↑ 4.96%	↑ 16.80%	↑ 44.92%

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