

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Wednesday 09 July | 2024

Money Market

Opening system liquidity remained negative. Thus, the Open Repo Rate (OPR) increased by 8 bps to 32.10%, while the Overnight Rate (O/N) expanded by 21 bps to 32.576%.

Outlook: We expect interbank rates to remain elevated tomorrow.

Treasury Bills

Today, the treasury bills market was calm as participants concentrated on the primary market auction. However, market yields increased, indicating an anticipation of higher stop rates at the auction. The market closed bearish, and the average mid-rate rose by 2 bps to 21.38%.

Outlook: We expect tomorrow's session to be partly impacted by the NTB auction result and partly driven by the tightness in system liquidity.

FGN Bonds

The local FGN bonds market maintained its bearish bias. As a result, the average mid-yield increased by 8 bps to 19.04%.

Outlook: We expect the bearish sentiment to persist tomorrow.

Eurobonds

The African Eurobonds market had a mixed to bullish session. The SSA and North African regions closed bullish, while South African papers saw slight selling interests. Overall, the average mid-yield for the Nigerian curve decreased by 8 bps to 9.75%.

Outlook: We expect the bearish sentiment to linger tomorrow.

Benchmark T-Bills Discount Rates			
	10-Jul-24	09-Jul-24	Change in Rates
106 days	20.00%	20.00%	➡ 0.00%
197 days	22.01%	22.01%	➡ 0.00%
316 days	21.24%	21.50%	⬇ -0.26%

Source: FMDQ DQL for 10 July 2024

Benchmark FGN Bond Yields			
	10-Jul-24	09-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 10 July 2024

Benchmark FGN Eurobond Yields			
	10-Jul-24	09-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.76%	8.80%	⬇ -0.04%
10 yrs: NGERIA 7.875 02/16/32	9.92%	9.89%	⬆ 0.03%
15 yrs: NGERIA 7.696 23/02/38	10.40%	10.40%	➡ 0.00%
30 yrs: NGERIA 9.248 01/21/49	10.32%	10.32%	➡ 0.00%
7.125% ECOTRAN 16/02/26*	8.23%	8.22%	⬆ 0.01%

Source: FBNH UK Runs for 10 July 2024

NAFEM RATE (\$/N)		Diff.
10-Jul-24	1,561.98	
9-Jul-24	1,532.58	⬆ 29.40

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
10-Jul-24	-1,163.10	
9-Jul-24	-1,175.36	⬆ 12.26

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)	35.05 (+6.50% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*85.54 (+1.03 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

Today, the Nigerian equity market closed on a flat note, with the All-Share Index declining by 3.87 points (0.004%) to 99,802.08 points. The year-to-date return and market capitalization settled at 33.47% and ₦56.45 trillion, respectively. FIDELITYBK led both the volumes and values chart with 698.21 million units, and ₦7.21 billion, respectively.

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

Foreign Exchange

Naira depreciated against the USD by 1.92% to \$/₦1,561.98.

Outlook: *We expect volatility to persist.*

Commodities

U.S. crude oil prices rose today as U.S. inventories declined, while OPEC sees solid demand supported by stronger economic growth this year. As a result, Brent prices increased by 1.03% to \$85.53, while WTI prices increased by 1.38% to \$82.53. Additionally, 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
ABCTRANS	0.77	0.07	↑ 10.00%
ETERNA	18.35	1.65	↑ 9.88%
LIVESTOCK	2.05	0.18	↑ 9.63%
VITAFOAM	19.70	1.70	↑ 9.44%
REDSTAREX	4.49	0.37	↑ 8.98%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
THOMASWY	2.16	-0.24	↓ -10.00%
DAARCOMM	0.52	-0.05	↓ -8.77%
CWG	6.90	-0.40	↓ -5.48%
ROYALEX	0.70	-0.03	↓ -4.11%
WEMABANK	6.75	-0.25	↓ -3.57%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ 0.00%	↓ -0.50%	↑ 0.51%	↑ 33.47%
NSE Banking Index	↓ -0.39%	↓ -0.63%	↑ 5.97%	↓ -5.82%
NSE Insurance Index	↓ -0.18%	↓ -1.30%	↑ 8.63%	↑ 24.02%
NSE Industrial Goods Index	↓ 0.00%	↑ 0.10%	↑ 0.30%	↑ 73.59%
NSE Consumer Goods Index	↑ 0.34%	↑ 0.10%	↑ 0.79%	↑ 40.60%
NSE Oil & Gas Index	↑ 0.37%	↑ 5.34%	↑ 17.23%	↑ 45.45%

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