

# Actionable Market Insights, delivered daily.



DATE: Thursday 11 July | 2024

## MARKET COMMENTARY

### Money Market

Opening system liquidity stayed short today. However, the Open Repo Rate (OPR) eased by 35 bps to 31.75%, while the Overnight Rate (O/N) decreased by 16 bps to 32.60%.

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

### Treasury Bills

Today, the treasury bills market closed bearish due to the selling interests across the curve. The average mid-rate rose by 8 bps to 21.43%.

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

### FGN Bonds

The local FGN bonds market was relatively calm, with a bearish undertone. The average mid-yield increased marginally by 1 bp to 19.05%.

**Outlook:** We expect market to stay bearish in the interim.

### Eurobonds

The African Eurobonds witnessed a bullish posture today, due to the lesser-than-expected US inflation at 3.0% (Est. 3.10%), from 3.30% in May. Thus, the average mid-yield for the Nigerian curve decreased by 15 bps to 9.60%.

**Outlook:** We expect the bullish bias to spill into tomorrow's session.

Benchmark T-Bills Discount Rates			
	11-Jul-24	10-Jul-24	Change in Rates
105 days	20.00%	20.00%	➡ 0.00%
196 days	22.01%	22.01%	➡ 0.00%
315 days	21.24%	21.24%	➡ 0.00%

Source: FMDQ DQL for 11 July 2024

Benchmark FGN Bond Yields			
	11-Jul-24	10-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.82%	18.81%	⬆ 0.01%
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 11 July 2024

Benchmark FGN Eurobond Yields			
	11-Jul-24	10-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.63%	8.76%	⬇ -0.13%
10 yrs: NGERIA 7.875 02/16/32	9.74%	9.92%	⬇ -0.18%
15 yrs: NGERIA 7.696 23/02/38	10.26%	10.40%	⬇ -0.14%
30 yrs: NGERIA 9.248 01/21/49	10.21%	10.32%	⬇ -0.11%
7.125% ECOTRAN 16/02/26*	8.15%	8.23%	⬇ -0.08%

Source: FBNH UK Runs for 11 July 2024

NAFEM RATE (\$/N)		Diff.
11-Jul-24	1,554.65	
10-Jul-24	1,561.98	⬆ (7.33)

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
11-Jul-24	-1,244.46	
10-Jul-24	-1,175.36	⬇ (69.10)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.17
AIICO BALANCED FUND	7.44
AIICO EUROBOND FUND	6.90

### As of 10 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)	35.18 (+6.89% 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

The Nigerian equity market closed on a bearish note, with the All-Share Index shedding by 0.33% to 99,468.90 points. The year-to-date return and market capitalization settled at 33.03% and ₦56.27 trillion, respectively. FIDELITYBK led the volumes with 46.78 million units, while SEPLAT led the values chart with ₦1.15 billion.

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

## Foreign Exchange

Naira appreciated against the USD by 0.47% to \$/₦1,554.65.

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

## Commodities

Crude oil increased today as inflation eased, bolstering hopes that the Federal Reserve will cut interest rates later this year. As a result, Brent prices increased by 0.27% to \$85.31, while WTI prices increased by 0.48% to \$82.49. Additionally, gold prices rose by 1.64% to \$2,418.40 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
LINKASSURE	1.12	0.10	↑ 9.80%
DAARCOMM	0.57	0.05	↑ 9.62%
VITAFOAM	21.20	1.50	↑ 7.61%
LIVESTOCK	2.20	0.15	↑ 7.32%
MECURE	10.00	0.43	↑ 4.49%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
IKEJAHOTEL	6.35	-0.65	↓ -9.29%
HONYFLOUR	3.16	-0.29	↓ -8.41%
SEPLAT	3480.00	-314.90	↓ -8.30%
CHAMPION	3.06	-0.25	↓ -7.55%
SUNUASSUR	1.24	-0.06	↓ -4.62%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.33%	↓ -0.59%	↑ 0.17%	↑ 33.03%
NSE Banking Index	↑ 0.13%	↓ -2.57%	↑ 6.11%	↓ -5.70%
NSE Insurance Index	↑ 0.09%	↓ -1.36%	↑ 8.73%	↑ 24.13%
NSE Industrial Goods Index	↑ 0.07%	↑ 0.23%	↑ 0.36%	↑ 73.71%
NSE Consumer Goods Index	↓ -0.33%	↓ -0.22%	↑ 0.45%	↑ 40.13%
NSE Oil & Gas Index	→ 0.00%	↑ 3.86%	↑ 17.23%	↑ 45.45%

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