

Actionable Market Insights, delivered daily.



DATE: Friday 15 July | 2024

MARKET COMMENTARY

Money Market

Opening system liquidity stayed negative today. However, the Open Repo Rate (OPR) eased by 14 bps to 31.47%, while the Overnight Rate (O/N) decreased by 26 bps to 32.19%.

Outlook: We expect interbank rates to remain elevated tomorrow.

Treasury Bills

The treasury bills market closed bearish today, due to the selling interests around the belly and long end of the curve. Thus, the average mid-rate rose by 35 bps to 22.19% across the benchmark papers.

Outlook: We expect bearish bias to persist.

FGN Bonds

The local FGN bonds market traded cautiously, albeit, with a bearish undertone. The average mid-yield increased by 3 bps to 19.20%.

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

Eurobonds

The African Eurobonds had a mixed trading session today ahead of Jerome Powell's speech. Nigeria and Angola papers settled bearish, while Ghana and Egypt had a bullish sentiment. Consequently, the average mid-yield for the Nigerian curve increased slightly by 1 bps to 9.63%.

Outlook: We expect the market to respond to any significant changes in US retail sales data tomorrow.

| Benchmark T-Bills Discount Rates | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 15-Jul-24 | 12-Jul-24 | Change in Rates |
| 101 days | 20.00% | 20.00% | ➡ 0.00% |
| 192 days | 22.01% | 22.01% | ➡ 0.00% |
| 311 days | 21.70% | 21.70% | ➡ 0.00% |

Source: FMDQ DQL for 15 July 2024

| Benchmark FGN Bond Yields | | | |
|-----------------------------|-----------|-----------|-----------------|
| | 15-Jul-24 | 12-Jul-24 | Change in Yield |
| 5 yrs: 16.2884% 17-Mar-2027 | 19.63% | 19.62% | ⬆ 0.01% |
| 10 yrs: 12.50% 27-Apr-2032 | 18.02% | 18.01% | ⬆ 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 15 July 2024

| Benchmark FGN Eurobond Yields | | | |
|-------------------------------|-----------|-----------|-----------------|
| | 15-Jul-24 | 12-Jul-24 | Change in Yield |
| 5 yrs: NGERIA 6 1/2 11/28/27 | 8.68% | 8.63% | ⬆ 0.05% |
| 10 yrs: NGERIA 7.875 02/16/32 | 9.80% | 9.74% | ⬆ 0.06% |
| 15 yrs: NGERIA 7.696 23/02/38 | 10.30% | 10.26% | ⬆ 0.04% |
| 30 yrs: NGERIA 9.248 01/21/49 | 10.24% | 10.21% | ⬆ 0.03% |
| 7.125% ECOTRAN 16/02/26* | 8.24% | 8.15% | ⬆ 0.09% |

Source: FBNH UK Runs for 15 July 2024

| NAFEM RATE (\$/N) | | Diff. |
|-------------------|----------|---------|
| 15-Jul-24 | 1,577.29 | |
| 12-Jul-24 | 1,563.80 | ⬆ 13.49 |

Source: FMDQ

| Sys. Liq. (N'bn) | | Diff. |
|------------------|---------|------------|
| 15-Jul-24 | -830.30 | |
| 12-Jul-24 | -663.82 | ⬆ (166.48) |

Source: CBN

| NAME OF FUND | EFFECTIVE YIELD (%) |
|-------------------------|---------------------|
| AIICO MONEY MARKET FUND | 19.53 |
| AIICO BALANCED FUND | 7.48 |
| AIICO EUROBOND FUND | 6.83 |

As of 14 July 2024

| Macro Indicators | |
|---------------------------------|------------------------------|
| GDP (Q1 2024) | +2.98% (Q4: 2023 +3.46% y/y) |
| Inflation (June'2024) | 34.19% (May'24: 33.95%) |
| External Reserve (US\$'billion) | 35.38 (+7.48% YTD) |
| Monetary Policy Rate | 26.25% |
| Cash Reserve Requirement (CRR) | 45.00% |
| Brent Crude Price US\$/bbl | *84.91 (-0.14 d/d) |

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equity market closed on a bullish note, with the All-Share Index increasing by 0.30% to 99,966.28 points. The year-to-date return and market capitalization settled at 33.69% and ₦56.61 trillion, respectively. GTCO led both the volumes and values chart with 66.90 million units and ₦3.06 billion.

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

Foreign Exchange

Naira depreciated against the USD by 0.86% to \$/₦1,577.29.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices fell for a second day on Monday as the dollar gained ground amid political uncertainty in the U.S. following an attack on U.S. presidential candidate Donald Trump, while investors eyed the progress of talks for a Gaza ceasefire. As a result, Brent prices decreased by 0.19% to \$84.87, while WTI prices increased by 0.35% to \$81.94. Additionally, gold prices rose by 0.51% to \$2,432.80 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 |
| CUTIX | 5.08 | 0.46 | ↑ 9.96% |
| IKEIAHOTEL | 6.95 | 0.60 | ↑ 9.45% |
| ROYALEX | 0.73 | 0.06 | ↑ 8.96% |
| SUNUASSUR | 1.29 | 0.10 | ↑ 8.40% |
| REDSTAREX | 4.38 | 0.33 | ↑ 8.15% |

Source: NGX, AIICO Capital

| Top 5 Equity Decliners | | | |
|------------------------|---------------|---------|----------|
| Name (Symbol) | Closing Price | Loss(N) | % Change |
| CHELLARAM | 3.70 | -0.40 | ↓ -9.76% |
| ABBEYBDS | 2.51 | -0.19 | ↓ -7.04% |
| JAIZBANK | 2.12 | -0.13 | ↓ -5.78% |
| ELLAHLAKES | 3.00 | -0.17 | ↓ -5.36% |
| INTBREW | 3.88 | -0.17 | ↓ -4.20% |

Source: NGX, AIICO Capital

| | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|----------|
| NGX ASI | ↑ 0.30% | ↓ -0.04% | ↑ 0.67% | ↑ 33.69% |
| NSE Banking Index | ↑ 1.32% | ↓ -1.05% | ↑ 7.30% | ↓ -4.64% |
| NSE Insurance Index | ↓ -0.95% | ↓ -1.48% | ↑ 7.34% | ↑ 22.55% |
| NSE Industrial Goods Index | ↓ -0.02% | ↑ 0.02% | ↑ 0.28% | ↑ 73.57% |
| NSE Consumer Goods Index | ↓ -0.05% | ↑ 0.11% | ↑ 0.28% | ↑ 39.88% |
| NSE Oil & Gas Index | ↓ -0.04% | ↓ -0.11% | ↑ 16.21% | ↑ 44.19% |

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission and is licensed to provide fund and portfolio management services in Nigeria.