

# Actionable Market Insights, delivered daily.



DATE: Tuesday 16 July | 2024

## MARKET COMMENTARY

### Money Market

System liquidity opened with a negative balance. Nonetheless, the Open Repo Rate (OPR) decreased by 7 bps to 31.40%, while the Overnight Rate (O/N) lost 6 bps to 32.13%.

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

### Treasury Bills

The treasury bills market closed slightly bullish today, amidst mild buying interest on the long end of the curve. Thus, the average mid-rate declined marginally by 1 bp to 22.18%.

**Outlook:** We expect market to see a calm session with a bearish undertone tomorrow, as the CBN would be offering ₦150.00 billion OMO bills.

### FGN Bonds

The local FGN bonds market also experienced a muted session. Consequently, the average mid-yield increased by 2 bps to 19.22%.

**Outlook:** We expect a similar trading session tomorrow.

### Eurobonds

The African Eurobonds had a mixed trading session today following the flat US retails sales data. While Nigeria's curve was mixed, Angola and Egypt's papers was mostly bearish. Overall, the average mid-yield for the Nigerian curve declined slightly by 2 bps to 9.61%.

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

Benchmark T-Bills Discount Rates			
	16-Jul-24	15-Jul-24	Change in Rates
100 days	20.00%	20.00%	➡ 0.00%
191 days	22.01%	22.01%	➡ 0.00%
310 days	21.70%	21.70%	➡ 0.00%

Source: FMDQ DQL for 16 July 2024

Benchmark FGN Bond Yields			
	16-Jul-24	15-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.63%	19.63%	➡ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.02%	18.02%	➡ 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 16 July 2024

Benchmark FGN Eurobond Yields			
	16-Jul-24	15-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.68%	8.68%	➡ 0.00%
10 yrs: NGERIA 7.875 02/16/32	9.80%	9.80%	➡ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.30%	10.30%	➡ 0.00%
30 yrs: NGERIA 9.248 01/21/49	10.24%	10.24%	➡ 0.00%
7.125% ECOTRAN 16/02/26*	8.24%	8.24%	➡ 0.00%

Source: FBNH UK Runs for 16 July 2024

NAFEM RATE (\$/N)		Diff.
16-Jul-24	1,576.66	
15-Jul-24	1,577.29	↑ (0.63)

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
16-Jul-24	-771.49	
15-Jul-24	-830.30	↑ 58.81

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, as the All-Share Index gained 0.11% to settle at 100,075.59 points. The year-to-date return and market capitalization closed at 33.84% and ₦56.67 trillion, respectively. ZENITHBANK led both the volumes and values chart with 57.42 million units and ₦2.25 billion, respectively.

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

## Foreign Exchange

Naira appreciated against the USD by 0.04% to ₦1,576.66.

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

## Commodities

Oil prices declined today on worries of a slowing Chinese economy crippling demand despite the growing consensus that the U.S. Federal Reserve could begin cutting its key interest rate as soon as September. As a result, Brent prices decreased by 1.39% to \$83.27, while WTI prices decreased by 1.55% to \$80.64. Additionally, gold prices gained 1.68% to \$2,469.50 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
UCAP	33.00	3.00	↑ 10.00%
CUTIX	5.58	0.50	↑ 9.84%
SUNUASSUR	1.39	0.10	↑ 7.75%
CORNERST	2.10	0.15	↑ 7.69%
UACN	15.20	1.05	↑ 7.42%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
REDSTAREX	3.95	-0.43	↓ -9.82%
MCNICHOLS	1.01	-0.10	↓ -9.01%
DEAPCAP	0.49	-0.03	↓ -5.77%
ETERNA	17.20	-0.80	↓ -4.44%
UNVINSURE	0.35	-0.01	↓ -2.78%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.11%	↑ 0.27%	↑ 0.02%	↑ 33.84%
NSE Banking Index	↑ 0.61%	↑ 1.48%	↑ 3.69%	↓ -4.06%
NSE Insurance Index	↑ 0.67%	↓ -0.70%	↑ 1.61%	↑ 23.37%
NSE Industrial Goods Index	↑ 0.07%	↑ 0.05%	↑ 0.32%	↑ 73.69%
NSE Consumer Goods Index	↓ -0.07%	↓ -0.23%	↓ -0.89%	↑ 39.79%
NSE Oil & Gas Index	↓ -0.26%	↓ -0.76%	↑ 4.12%	↑ 43.81%

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