

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Wednesday 17 July | 2024

Money Market

System liquidity remained negative. Thus, the Open Repo Rate (OPR) increased by 45 bps to 31.85%, while the Overnight Rate (O/N) increased by 30 bps to 32.43%.

Outlook: We expect interbank rates to hover around similar levels tomorrow.

Treasury Bills

The treasury bills market closed slightly bullish today, as players reacted mildly to the “no-sale” outcome at the OMO auction. Thus, the average mid-rate across the benchmark NTB papers declined by 9 bps to 22.09%.

Outlook: We expect a mixed sentiment tomorrow.

FGN Bonds

The local FGN bonds market traded mixed sentiments, with pockets of interests across selected papers. Overall, the executed volumes were few and far between, leading to the average mid-yield staying unchanged at 19.22%.

Outlook: We expect a similar trading session tomorrow.

Eurobonds

The Eurobonds market in SSA experienced a downward price trend today due to the US Housing Stat data, which indicated a figure of 1.35 million, surpassing the estimated 1.30 million and the 1.31 million reported in the previous month. Consequently, the average mid-yield for the Nigerian curve rose by 17bps to reach 9.78%.

Outlook: We expect tomorrow's sentiment to be guided more other economic data and market-moving events tomorrow.

Benchmark T-Bills Discount Rates			
	17-Jul-24	16-Jul-24	Change in Rates
99 days	20.00%	20.00%	➡ 0.00%
190 days	22.04%	22.01%	⬆ 0.03%
309 days	21.70%	21.70%	➡ 0.00%

Source: FMDQ DQL for 17 July 2024

Benchmark FGN Bond Yields			
	17-Jul-24	16-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.64%	19.63%	⬆ 0.01%
10 yrs: 12.50% 27-Apr-2032	18.02%	18.02%	➡ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.51%	17.50%	⬆ 0.01%
30 yrs: 12.98% 27-Mar-2050	17.50%	17.50%	➡ 0.00%

Source: FMDQ DQL for 17 July 2024

Benchmark FGN Eurobond Yields			
	17-Jul-24	16-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.86%	8.68%	⬆ 0.18%
10 yrs: NGERIA 7.875 02/16/32	9.98%	9.80%	⬆ 0.18%
15 yrs: NGERIA 7.696 23/02/38	10.45%	10.30%	⬆ 0.15%
30 yrs: NGERIA 9.248 01/21/49	10.38%	10.24%	⬆ 0.14%
7.125% ECOTRAN 16/02/26*	8.15%	8.24%	⬆ -0.09%

Source: FBNH UK Runs for 17 July 2024

NAFEM RATE (\$/N)		Diff.
17-Jul-24	1,581.65	
16-Jul-24	1,576.66	⬆ 4.99

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
17-Jul-24	-648.38	
16-Jul-24	-771.49	⬆ 123.12

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)	35.77 (+8.69% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*84.99 (+1.50 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equity market closed on a bearish note, as the All-Share Index shed 0.04% to settle at 100,032.32 points. The year-to-date return and market capitalization closed at 33.78% and ₦56.65 trillion, respectively. JAIZBANK led the volumes chart with 528.49 million units, while ZENTIHBANK topped the values chart with ₦1.15 billion, respectively.

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

Foreign Exchange

Naira depreciated against the USD by 0.32% to \$/₦1,581.65.

Outlook: *We expect volatility to persist.*

Commodities

Today, oil prices increased due to a drop in U.S. oil inventories and a weaker dollar, which outweighed indications of reduced demand in China. Consequently, Brent prices rose by 1.48% to \$84.97, while WTI prices climbed 2.25% to \$82.58. In the same period, the price of gold declined by 0.42% to \$2,457.50 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
UCAP	36.30	3.30	↑ 10.00%
AFRIPRUD	8.90	0.80	↑ 9.88%
CUTIX	6.13	0.55	↑ 9.86%
OANDO	16.90	0.90	↑ 5.63%
JBERGER	87.50	4.00	↑ 4.79%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
RTBRISCOE	0.66	-0.04	↓ -5.71%
FTNCOCOA	1.72	-0.08	↓ -4.44%
TANTALIZER	0.45	-0.02	↓ -4.26%
NEIMETH	1.64	-0.06	↓ -3.53%
CONHALLPLC	1.40	-0.05	↓ -3.45%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.04%	↑ 0.23%	↓ -0.03%	↑ 33.78%
NSE Banking Index	↑ 1.09%	↑ 2.98%	↑ 4.82%	↓ -3.01%
NSE Insurance Index	↓ -0.36%	↓ -0.88%	↑ 1.24%	↑ 22.93%
NSE Industrial Goods Index	↑ 0.01%	↑ 0.07%	↑ 0.33%	↑ 73.72%
NSE Consumer Goods Index	↓ -0.01%	↓ -0.58%	↓ -0.90%	↑ 39.78%
NSE Oil & Gas Index	↑ 0.05%	↓ -1.07%	↑ 4.18%	↑ 43.89%

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