

Actionable Market Insights, delivered daily.



DATE: Thursday 18 July | 2024

MARKET COMMENTARY

Money Market

Opening system liquidity remained in the negative. Although, some inflows from bond coupon relatively supported system liquidity. Thus, the Open Repo Rate (OPR) declined by 1 bp to 31.84%, while the Overnight Rate (O/N) decreased by 5 bps to 32.38%.

Outlook: We expect interbank rates to stay elevated tomorrow.

Treasury Bills

The treasury bills market closed on a bearish note today, with selling interest concentrated at the belly of the curve. As a result, the average mid-rate across the benchmark NTB papers increased by 27 bps to 22.36%.

Outlook: We expect the bearish bias to persist.

FGN Bonds

The domestic FGN bond market concluded on a bearish tone, with the focus directed towards the March 2027s, May 2033s, and June 2038 papers. Overall, the average mid-yield rose by 8 bps to 19.30%.

Outlook: We expect a mixed to bearish sentiment tomorrow.

Eurobonds

Today's performance in the SSA Eurobonds market was mixed, with Angola closing on a positive note, while the Kenyan and Nigerian curves experienced a bearish trend. As a result, the average mid-yield for the Nigerian curve increased by 3 bps, reaching 9.81%.

Outlook: We expect a similar trading session tomorrow.

Benchmark T-Bills Discount Rates			
	18-Jul-24	17-Jul-24	Change in Rates
98 days	20.00%	20.00%	➡ 0.00%
189 days	22.04%	22.04%	➡ 0.00%
343 days	20.43%	20.43%	➡ 0.00%

Source: FMDQ DQL for 18 July 2024

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

Source: FMDQ DQL for 18 July 2024

Benchmark FGN Eurobond Yields			
	18-Jul-24	17-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.82%	8.86%	↓ -0.04%
10 yrs: NGERIA 7.875 02/16/32	9.95%	9.98%	↓ -0.03%
15 yrs: NGERIA 7.696 23/02/38	10.49%	10.45%	↑ 0.04%
30 yrs: NGERIA 9.248 01/21/49	10.44%	10.38%	↑ 0.06%
7.125% ECOTRAN 16/02/26*	8.25%	8.15%	↑ 0.10%

Source: FBNH UK Runs for 18 July 2024

NAFEM RATE (\$/N)		Diff.
18-Jul-24	1,566.82	
17-Jul-24	1,581.65	↑ (14.83)

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
18-Jul-24	-443.08	
17-Jul-24	-648.38	↑ 205.29

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	*85.13 (+0.06 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market ended on a positive note, mainly driven by increased interest in AIRTELAFRI (+4.76%). The All-Share Index rose by 0.47% to reach 100,503.21 points. The year-to-date return and market capitalization concluded at 34.41% and ₦56.91 trillion, respectively. GTCO had the highest trading volume at 39.74 million units, while AIRTELAFRI topped the value chart at ₦2.25 billion.

Outlook: *We expect market to trade sideways in the interim.*

Foreign Exchange

Naira appreciated against the USD by 0.94% to \$/₦1,581.65.

Outlook: *We expect volatility to persist.*

Commodities

After three consecutive weeks of declines in crude inventories, crude oil prices held onto their gains. As a result, Brent prices rose by 0.06% to \$85.13, while WTI prices climbed 0.11% to \$82.94. During the same period, the price of gold gained 0.38% to reach \$2,469.20 per ounce, reflecting the growing expectations of a September interest rate cut from the U.S. Federal Reserve.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
UCAP	39.90	3.60	↑ 9.92%
OANDO	18.55	1.65	↑ 9.76%
AFRIPRUD	9.75	0.85	↑ 9.55%
LEARNAFRCA	3.85	0.33	↑ 9.38%
ABCTRANS	0.84	0.07	↑ 9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
LINKASSURE	0.90	-0.10	↓ -10.00%
VERITASKAP	1.08	-0.12	↓ -10.00%
VITAFOAM	19.15	-2.05	↓ -9.67%
ZENITHBANK	37.20	-2.80	↓ -7.00%
LIVESTOCK	2.18	-0.16	↓ -6.84%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.47%	↑ 1.04%	↑ 0.45%	↑ 34.41%
NSE Banking Index	↓ -2.28%	↑ 0.50%	↑ 2.43%	↓ -5.22%
NSE Insurance Index	↓ -2.35%	↓ -3.29%	↓ -1.13%	↑ 20.05%
NSE Industrial Goods Index	↑ 0.01%	↑ 0.01%	↑ 0.34%	↑ 73.73%
NSE Consumer Goods Index	↑ 0.07%	↓ -0.18%	↓ -0.82%	↑ 39.88%
NSE Oil & Gas Index	↑ 0.19%	↓ -0.89%	↑ 4.37%	↑ 44.15%

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