

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Monday 22 July | 2024

### Money Market

Opening system liquidity improved today, driven by inflows from FAAC and FGN bond coupons. Accordingly, the Open Repo Rate (OPR) declined by 605 bps to 25.34%, while the Overnight Rate (O/N) decreased by 621 bps to 25.81%.

**Outlook:** We expect interbank rates to decline further tomorrow.

### Treasury Bills

The treasury bills market closed on a bearish note today, with selling interest across several papers. As a result, the average mid-rate across the benchmark NTB papers increased by 43 bps to 23.13%.

**Outlook:** We expect the CBN interest rate decision to impact market sentiment tomorrow.

### FGN Bonds

The domestic FGN bond market concluded on a bearish note, following the expectation of an uptick in stop rates at today's auction. Overall, the average mid-yield rose by 13 bps to 19.43%.

**Outlook:** We expect the CBN interest rate decision to impact market sentiment tomorrow.

### Eurobonds

The African Eurobonds market witnessed a bullish bias today, with buying interests across the curve. Thus, the average mid-yield for the Nigerian curve decreased by 2 bps, to 9.89%.

**Outlook:** We expect the bearish trend to linger tomorrow.

Benchmark T-Bills Discount Rates			
	22-Jul-24	19-Jul-24	Change in Rates
97 days	20.00%	20.00%	→ 0.00%
185 days	22.04%	22.01%	↑ 0.03%
339 days	20.53%	20.53%	→ 0.00%

Source: FMDQ DQL for 22 July 2024

Benchmark FGN Bond Yields			
	22-Jul-24	19-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.65%	19.64%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	18.02%	18.02%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.51%	17.51%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.36%	18.18%	↑ 0.18%

Source: FMDQ DQL for 22 July 2024

Benchmark FGN Eurobond Yields			
	22-Jul-24	19-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.83%	9.01%	↓ -0.18%
10 yrs: NGERIA 7.875 02/16/32	9.98%	10.08%	↓ -0.10%
15 yrs: NGERIA 7.696 23/02/38	10.47%	10.53%	↓ -0.06%
30 yrs: NGERIA 9.248 01/21/49	10.41%	10.49%	↓ -0.08%
7.125% ECOTRAN 16/02/26*	8.25%	8.16%	↑ 0.09%

Source: FBNH UKRuns for 22 July 2024

	NAFEM RATE (\$/N)	Diff.
22-Jul-24	1,500.32	
19-Jul-24	1,596.92	↑ (96.60)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
22-Jul-24	107.51	
19-Jul-24	-379.55	↑ 487.05

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.95
AIICO BALANCED FUND	7.91
AIICO EUROBOND FUND	6.65

As of 19 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 bullish note. The All-Share Index rose by 0.03% to reach 100,568.60 points. The year-to-date return and market capitalization concluded at 34.50% and ₦56.95 trillion, respectively. ELLAHLAKES had the highest trading volume at 110.68 million units, while UCAP topped the value chart at ₦778.61 billion.

**Outlook:** *We expect a cautious trading activities tomorrow.*

## Foreign Exchange

Naira appreciated against the USD by 6.05% to \$/₦1,500.32.

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

## Commodities

Today, oil prices declined, as investors looked past U.S. president Joe Biden's decision not to seek a second term and focused on rising stockpiles and signs of weak demand. Brent prices declined by 0.25% to \$82.42, while WTI prices fell by 0.09% to \$80.06. Also, the price of gold declined by 0.26% to \$2,392.60 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
TANTALIZER	0.49	0.04	↑ 8.89%
LIVESTOCK	2.38	0.18	↑ 8.18%
NEIMETH	1.88	0.14	↑ 8.05%
MCNICHOLS	1.09	0.08	↑ 7.92%
JBERGER	92.50	5.00	↑ 5.71%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CAVERTON	1.40	-0.15	↓ -9.68%
ROYALEX	0.67	-0.05	↓ -6.94%
VERITASKAP	1.01	-0.05	↓ -4.72%
INTBREW	3.68	-0.17	↓ -4.42%
HONYFLOUR	3.17	-0.14	↓ -4.23%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.03%	↑ 0.60%	↑ 0.51%	↑ 34.50%
NSE Banking Index	↑ 0.50%	↓ -0.91%	↑ 2.12%	↓ -5.51%
NSE Insurance Index	↓ -0.10%	↓ -4.04%	↓ -3.15%	↑ 17.60%
NSE Industrial Goods Index	↓ 0.00%	↑ 0.10%	↑ 0.35%	↑ 73.75%
NSE Consumer Goods Index	↓ -0.11%	↓ -0.26%	↓ -1.08%	↑ 39.53%
NSE Oil & Gas Index	↓ -0.01%	↓ -0.08%	↑ 4.32%	↑ 44.08%

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