

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Tuesday 23 July | 2024

Money Market

Opening system fell to a negative balance today. Accordingly, the Open Repo Rate (OPR) increased by 591 bps to 31.25%, while the Overnight Rate (O/N) increased by 610 bps to 31.91%.

Outlook: We expect interbank rates stay elevated tomorrow.

Treasury Bills

The treasury bills market closed on a bearish note today, impacted by the MPC's interest rate decision today. As a result, the average mid-rate across the benchmark NTB papers increased by 43 bps to 23.56%.

Outlook: We expect the bearish bias to linger tomorrow, even as the DMO would be offering ₦277.96 billion worth of T-Bills.

FGN Bonds

The local FGN bond market settled slightly bearish, after a mixed trading session. Overall, the average mid-yield rose by 3 bps to 19.46%.

Outlook: We expect the current sentiment to resurface tomorrow.

Eurobonds

The African Eurobonds market sustained its bullish bias today. Thus, the average mid-yield for the Nigerian curve decreased by 4 bps, to 9.78%.

Outlook: We expect the bullish trend to ease tomorrow.

Benchmark T-Bills Discount Rates			
	23-Jul-24	22-Jul-24	Change in Rates
94 days	20.00%	20.00%	→ 0.00%
184 days	22.04%	22.04%	→ 0.00%
338 days	20.53%	20.53%	→ 0.00%

Source: FMDQ DQL for 23 July 2024

Benchmark FGN Bond Yields			
	23-Jul-24	22-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.66%	19.65%	↑ 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	18.63%	18.36%	↑ 0.27%

Source: FMDQ DQL for 23 July 2024

Benchmark FGN Eurobond Yields			
	23-Jul-24	22-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.87%	8.83%	↑ 0.04%
10 yrs: NGERIA 7.875 02/16/32	9.98%	9.98%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.39%	10.47%	↓ -0.08%
30 yrs: NGERIA 9.248 01/21/49	10.41%	10.41%	→ 0.00%
7.125% ECOTRAN 16/02/26*	8.25%	8.25%	→ 0.00%

Source: FBNH UKRuns for 23 July 2024

	NAFEM RATE (\$/N)	Diff.
23-Jul-24	1,548.76	
22-Jul-24	1,500.32	↑ 48.44

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
23-Jul-24	-231.82	
22-Jul-24	107.51	↓ (339.33)

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	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*80.04 (+2.02 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market concluded on a bearish note with the All-Share Index decreasing by 0.08% to reach 100,486.12 points. The year-to-date return and market capitalization settled at 34.39% and ₦56.89 trillion, respectively. VERITASKAP recorded the highest trading volume with 22.51 million units, while UCAP led the value chart with ₦817.09 billion.

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

Foreign Exchange

Naira depreciated against the USD by 3.23% to \$/₦1,548.76.

Outlook: *We expect volatility to persist.*

Commodities

The price of crude oil has fallen to its lowest point in more than a month, even though there have been recent exchanges of attacks between Israel and Houthi militants in Yemen. Brent prices dropped by 2.01% to \$80.04, while WTI prices decreased by 2.35% to \$76.58. In addition, the price of gold rose by 0.54% to \$2,407.50 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
IKEJAHOTEL	7.10	0.50	↑ 7.58%
LINKASSURE	0.93	0.06	↑ 6.90%
CAVERTON	1.47	0.07	↑ 5.00%
SOVRENINS	0.50	0.02	↑ 4.17%
CONHALLPLC	1.39	0.04	↑ 2.96%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
UPL	2.27	-0.25	↓ -9.92%
JOHNHOLT	2.83	-0.31	↓ -9.87%
OMATEK	0.67	-0.07	↓ -9.46%
DEAPCAP	0.51	-0.05	↓ -8.93%
NSLTECH	0.53	-0.04	↓ -7.02%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.08%	↑ 0.41%	↑ 0.43%	↑ 34.39%
NSE Banking Index	↓ -0.67%	↓ -2.17%	↑ 1.44%	↓ -6.14%
NSE Insurance Index	↓ -0.15%	↓ -4.82%	↓ -3.29%	↑ 17.43%
NSE Industrial Goods Index	→ 0.00%	↑ 0.03%	↑ 0.35%	↑ 73.75%
NSE Consumer Goods Index	↑ 0.06%	↓ -0.13%	↓ -1.02%	↑ 39.61%
NSE Oil & Gas Index	→ 0.00%	↑ 0.19%	↑ 4.32%	↑ 44.08%

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.