

# Actionable Market Insights, delivered daily.



DATE: Wednesday 24 July | 2024

## MARKET COMMENTARY

### Money Market

Opening system improved to a positive balance today. Nonetheless, the Open Repo Rate (OPR) increased by 363 bps to 34.88%, while the Overnight Rate (O/N) increased by 362 bps to 35.53%.

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

### Treasury Bills

The treasury bills market closed on a bearish note today, reflecting market expectation for an uptick in stop rates at today's NTB auction. At the close of market, the average mid-rate across the benchmark NTB papers increased by 15 bps to 23.71%.

**Outlook:** We expect activity to be impacted by today's NTB auction result.

### FGN Bonds

The local FGN bond market was relatively quiet today. Consequently, the average mid-yield remained unchanged at 19.46%.

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

### Eurobonds

The African Eurobonds market closed on a bearish note today. Thus, the average mid-yield for the Nigerian curve increased by 18 bps to 9.96%.

**Outlook:** We anticipate that focus will be on the US GDP growth rate for Q2'24. As of the current time, the market anticipates the US GDP to increase to 2.10% from 1.40%.

Benchmark T-Bills Discount Rates			
	24-Jul-24	23-Jul-24	Change in Rates
92 days	20.00%	20.00%	→ 0.00%
183 days	22.04%	22.04%	→ 0.00%
337 days	20.53%	20.53%	→ 0.00%

Source: FMDQ DQL for 24 July 2024

Benchmark FGN Bond Yields			
	24-Jul-24	23-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.66%	19.66%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.03%	18.02%	↑ 0.01%
20 yrs: 13.00% 21-Jan-2042	17.51%	17.51%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.63%	18.63%	→ 0.00%

Source: FMDQ DQL for 24 July 2024

Benchmark FGN Eurobond Yields			
	24-Jul-24	23-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.06%	8.87%	↑ 0.19%
10 yrs: NGERIA 7.875 02/16/32	10.19%	9.98%	↑ 0.21%
15 yrs: NGERIA 7.696 23/02/38	10.59%	10.39%	↑ 0.20%
30 yrs: NGERIA 9.248 01/21/49	10.52%	10.40%	↑ 0.12%
7.125% ECOTRAN 16/02/26*	8.34%	8.34%	→ 0.00%

Source: FBNH UKRuns for 24 July 2024

NAFEM RATE (\$/N)		Diff.
24-Jul-24	1,586.71	
23-Jul-24	1,548.76	↑ 37.95

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
24-Jul-24	163.67	
23-Jul-24	-231.82	↑ 395.49

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.68
AIICO BALANCED FUND	7.87
AIICO EUROBOND FUND	6.59

As of 23 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)	36.24 (+10.10% 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
INTBREW	4.07	0.37	↑ 10.00%
SOVRENINS	0.55	0.05	↑ 10.00%
DEAPCAP	0.56	0.05	↑ 9.80%
TIP	2.15	0.15	↑ 7.50%
FCMB	8.00	0.40	↑ 5.26%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.48	-0.05	↓ -9.43%
RTBRISCOE	0.67	-0.06	↓ -8.22%
UBA	21.55	-1.15	↓ -5.07%
LIVESTOCK	2.30	-0.11	↓ -4.56%
UCAP	37.00	-1.65	↓ -4.27%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.12%	↑ 0.33%	↑ 0.31%	↑ 34.23%
NSE Banking Index	↓ -0.82%	↓ -4.02%	↑ 0.61%	↓ -6.91%
NSE Insurance Index	↑ 0.38%	↓ -4.12%	↓ -2.93%	↑ 17.87%
NSE Industrial Goods Index	↑ 0.03%	↑ 0.05%	↑ 0.38%	↑ 73.81%
NSE Consumer Goods Index	↓ -0.22%	↓ -0.34%	↓ -1.23%	↑ 39.31%
NSE Oil & Gas Index	→ 0.00%	↑ 0.13%	↑ 4.32%	↑ 44.08%

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