

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Thursday 25 July | 2024

Money Market

Opening system improved further from yesterday's balance. Consequently, the Open Repo Rate (OPR) declined by 843 bps to 26.45%, while the Overnight Rate (O/N) decreased by 845 bps to 27.08%.

Outlook: We expect interbank rates hover at similar levels tomorrow.

Treasury Bills

The treasury bills market closed on a bullish note today, as buyers showed interest for several papers across the curve. At the close of market, the average mid-rate across the benchmark NTB papers declined by 52 bps to 23.19%.

Outlook: We expect the bullish sentiment to ease tomorrow.

FGN Bonds

The local FGN bond market closed bearish today, with selling interests on selected papers, especially 2031 and 2033 maturities. As a result, the average mid-yield increased by 9bps to 19.56%.

Outlook: We expect the bearish sentiment to resurface tomorrow.

Eurobonds

The African Eurobonds market maintained its bearish theme across all regions. Consequently, the average mid-yield for the Nigerian papers increased by 7 bps to 10.03%. Meanwhile, the US GDP growth rate increased at 2.80% in Q2'24, higher than 2.00% market forecast and 1.40% in Q1'24.

Outlook: We expect market to US PCE Price Index to partly influence sentiments tomorrow.

Benchmark T-Bills Discount Rates			
	25-Jul-24	24-Jul-24	Change in Rates
92 days	20.00%	20.00%	➡ 0.00%
182 days	22.04%	22.04%	➡ 0.00%
336 days	20.53%	20.53%	➡ 0.00%

Source: FMDQ DQL for 25 July 2024

Benchmark FGN Bond Yields			
	25-Jul-24	24-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%	18.03%	➡ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.51%	17.51%	➡ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.63%	18.63%	➡ 0.00%

Source: FMDQ DQL for 25 July 2024

Benchmark FGN Eurobond Yields			
	25-Jul-24	24-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.11%	9.06%	⬆ 0.05%
10 yrs: NGERIA 7.875 02/16/32	10.24%	10.19%	⬆ 0.05%
15 yrs: NGERIA 7.696 23/02/38	10.70%	10.59%	⬆ 0.11%
30 yrs: NGERIA 9.248 01/21/49	10.67%	10.52%	⬆ 0.15%
7.125% ECOTRAN 16/02/26*	8.44%	8.34%	⬆ 0.10%

Source: FBNH UKRuns for 25 July 2024

NAFEM RATE (\$/N)		Diff.
25-Jul-24	1,603.80	
24-Jul-24	1,586.71	⬆ 17.09

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
25-Jul-24	490.81	
24-Jul-24	163.67	⬆ 327.14

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)	36.31 (+10.32% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*\$81.88 (+1.07 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market concluded on a bearish note with the All-Share Index fall by 0.21% to reach 100,156.96 points. The year-to-date return and market capitalization settled at 33.95% and ₦56.71 trillion, respectively. FIDELITYBK recorded the highest trading volume with 53.42 million units, while ZENITHBANK led the value chart with ₦1.46 billion.

Outlook: *We expect the bearish theme to linger.*

Foreign Exchange

Naira depreciated against the USD by 1.08% to \$/₦1,603.80.

Outlook: *We expect volatility to persist.*

Commodities

The price of crude oil increased after the second-quarter economic growth for the US came in stronger than expected. Brent prices rose by 0.34% to \$81.99, while WTI prices increased by 0.59% to \$78.05. Furthermore, the price of gold fell by 2.55% to \$2,354.10 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
CUSTODIAN	10.20	0.80	↑ 8.51%
LIVESTOCK	2.39	0.09	↑ 3.91%
WAPIC	0.80	0.03	↑ 3.90%
OANDO	18.50	0.55	↑ 3.06%
UCAP	38.00	1.00	↑ 2.70%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
OMATEK	0.63	-0.07	↓ -10.00%
CUTIX	5.33	-0.56	↓ -9.51%
FCMB	7.30	-0.70	↓ -8.75%
LINKASSURE	0.86	-0.07	↓ -7.53%
CONHALLPLC	1.30	-0.10	↓ -7.14%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.21%	↓ -0.34%	↑ 0.10%	↑ 33.95%
NSE Banking Index	↓ -1.59%	↓ -3.34%	↓ -1.00%	↓ -8.39%
NSE Insurance Index	↓ -0.72%	↓ -2.52%	↓ -3.62%	↑ 17.02%
NSE Industrial Goods Index	↓ -0.01%	↑ 0.03%	↑ 0.37%	↑ 73.78%
NSE Consumer Goods Index	↓ -0.32%	↓ -0.73%	↓ -1.55%	↑ 38.86%
NSE Oil & Gas Index	↑ 0.01%	↓ -0.04%	↑ 4.33%	↑ 44.10%

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