

Actionable Market Insights, delivered daily.

AIICO CAPITAL

MARKET COMMENTARY

DATE: Monday 29 July | 2024

Money Market

Opening system liquidity decreased today, compared to last Friday's balance. Nonetheless, the Open Repo Rate (OPR) declined by 55 bps to 25.58%, while the Overnight Rate (O/N) decreased by 63 bps to 26.03%.

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

Treasury Bills

The treasury bills market closed on a bearish note today, as selling interests were found across the curve. To quantify, the average mid-rate across the benchmark NTB papers increased by 9 bps to 23.18%.

Outlook: We expect a similar trading session tomorrow.

FGN Bonds

The local FGN bond market settled relatively bullish today, amidst slight buying interests in Feb 2034 and selling interests on 2053 paper. As a result, the average mid-yield declined marginally by 1bp to 19.55%.

Outlook: We expect market to maintain a mixed bias tomorrow.

Eurobonds

Today, the Sub-Saharan Eurobonds market witnessed a mixed theme across the curve. However, market settled slightly bearish. Thus, the average mid-yield for the Nigerian papers increased marginally by 1 bp to 10.00%.

Outlook: The US Job Openings and Consumer Confidence should contribute to market sentiment tomorrow.

Benchmark T-Bills Discount Rates			
	29-Jul-24	26-Jul-24	Change in Rates
87 days	20.00%	20.00%	→ 0.00%
178 days	22.04%	22.04%	→ 0.00%
332 days	20.53%	20.53%	→ 0.00%

Source: FMDQ DQL for 29 July 2024

Benchmark FGN Bond Yields			
	29-Jul-24	26-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.68%	19.67%	↑ 0.01%
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 29 July 2024

Benchmark FGN Eurobond Yields			
	29-Jul-24	26-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.11%	9.11%	→ 0.00%
10 yrs: NGERIA 7.875 02/16/32	10.22%	10.22%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.64%	10.66%	↓ -0.02%
30 yrs: NGERIA 9.248 01/21/49	10.62%	10.63%	↓ -0.01%
7.125% ECOTRAN 16/02/26*	8.53%	8.53%	→ 0.00%

Source: FBNH UK Runs for 29 July 2024

NAFEM RATE (\$/N)		Diff.
29-Jul-24	1,611.40	
26-Jul-24	1,609.29	↑ 2.11

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
29-Jul-24	230.27	
26-Jul-24	276.47	↓ (46.21)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	20.28
AIICO BALANCED FUND	6.53
AIICO EUROBOND FUND	6.96

As of 26 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)	36.51 (+10.92% 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 closed bearish. The All-Share Index decreased by 0.07% to reach 98,132.15 points. The year-to-date return and market capitalization settled at 31.24% and ₦55.72 trillion, respectively. UBA recorded the highest trading volume with 69.05 million units, while SEPLAT led the value chart with ₦2.71 billion.

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

Foreign Exchange

Naira depreciated against the USD by 0.13% to ₦1,611.40.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil declined today as traders appeared unfazed by the risk of widening war between Israel and the Iran-backed militia Hezbollah. Brent prices fell by 1.61% to \$79.82, while WTI prices decreased by 1.71% to \$75.84. Furthermore, the price of gold fell by 0.21% to \$2,376.10 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
AFRIPRUD	10.45	0.95	↑ 10.00%
CUTIX	5.66	0.51	↑ 9.90%
ETERNA	17.80	1.60	↑ 9.88%
OANDO	22.35	2.00	↑ 9.83%
CUSTODIAN	11.20	1.00	↑ 9.80%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CAVERTON	1.35	-0.15	↓ -10.00%
WAPIC	0.78	-0.08	↓ -9.30%
ABCTTRANS	0.70	-0.07	↓ -9.09%
NEIMETH	1.81	-0.15	↓ -7.65%
NASCON	32.35	-1.65	↓ -4.85%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.07%	↓ -2.42%	↓ -1.92%	↑ 31.24%
NSE Banking Index	↓ -1.01%	↓ -4.35%	↓ -2.32%	↓ -9.62%
NSE Insurance Index	↑ 0.15%	↓ -0.02%	↓ -3.17%	↑ 17.57%
NSE Industrial Goods Index	↓ -0.01%	↓ -5.90%	↓ -5.57%	↑ 63.50%
NSE Consumer Goods Index	↓ -0.07%	↓ -0.69%	↓ -1.76%	↑ 38.57%
NSE Oil & Gas Index	↑ 1.32%	↑ 0.79%	↑ 5.14%	↑ 45.22%

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