

# Actionable Market Insights, delivered daily.

**AIICO CAPITAL**

## MARKET COMMENTARY

DATE: Tuesday 30 July | 2024

### Money Market

Opening system liquidity increased today. Consequently, the Open Repo Rate (OPR) declined by 19 bps to 25.39%, while the Overnight Rate (O/N) decreased by 16 bps to 25.87%.

**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 persisted across board. Consequently, the average mid-rate across the benchmark NTB papers increased by 42 bps to 23.60%.

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

### FGN Bonds

The local FGN bond market settled bearish today, despite early mixed interests on selected papers, including the 2031 and 2033 papers. As a result, the average mid-yield increased by 5bps to 19.60%.

**Outlook:** We expect market to remain bearish.

### Eurobonds

At the early hours of trading, the Eurobonds market sustained a bearish theme, with selling interests observed across the SSA and North African papers. However, market settled flat, given the influx of some buyers towards the closing bell. Meanwhile, the US consumer confidence printed at 100.3, stronger than both estimate (99.70) and previous data (97.80). Thus, the average mid-yield for the Nigerian papers increased marginally by 1 bp to 10.00%.

**Outlook:** We expect market to trade cautiously tomorrow ahead of US interest rate decision.

Benchmark T-Bills Discount Rates			
	30-Jul-24	29-Jul-24	Change in Rates
86 days	20.00%	20.00%	→ 0.00%
177 days	22.50%	22.04%	↑ 0.46%
331 days	20.53%	20.53%	→ 0.00%

Source: FMDQ DQL for 30 July 2024

Benchmark FGN Bond Yields			
	30-Jul-24	29-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.68%	19.68%	→ 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	18.74%	18.63%	↑ 0.11%

Source: FMDQ DQL for 30 July 2024

Benchmark FGN Eurobond Yields			
	30-Jul-24	29-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.12%	9.11%	↑ 0.01%
10 yrs: NGERIA 7.875 02/16/32	10.22%	10.22%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.68%	10.64%	↑ 0.04%
30 yrs: NGERIA 9.248 01/21/49	10.63%	10.62%	↑ 0.01%
7.125% ECOTRAN 16/02/26*	8.53%	8.53%	→ 0.00%

Source: FBNI UK Runs for 30 July 2024

NAFEM RATE (\$/N)		Diff.
30-Jul-24	1,621.12	
29-Jul-24	1,611.40	↑ 9.72

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
30-Jul-24	563.94	
29-Jul-24	230.27	↑ 333.67

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, as the All-Share Index decreased by 0.31% to reach 97,830.65 points. The year-to-date return and market capitalization settled at 30.84% and ₦55.55 trillion, respectively. ZENITHBANK recorded the highest trading volume with 44.23 million units, as well as the highest value chart with ₦1.51 billion.

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

## Foreign Exchange

Naira depreciated against the USD by 0.60% to \$/₦1,621.12.

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

## Commodities

Crude oil price fell to its lowest levels since early June as worries about China's economy overshadow a new round of escalation in the Middle East. Brent prices fell by 1.65% to \$78.46, while WTI prices decreased by 1.54% to \$74.64. However, the price of gold gained 0.15% to \$2,381.30 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
ABCTTRANS	0.77	0.07	↑ 10.00%
OANDO	24.55	2.20	↑ 9.84%
IKEJAHOTEL	7.35	0.65	↑ 9.70%
RTBRISCOE	0.80	0.07	↑ 9.59%
PRESKO	413.00	30.00	↑ 7.83%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
UCAP	34.05	-3.75	↓ -9.92%
NESTLE	830.00	-90.00	↓ -9.78%
THOMASWY	1.95	-0.21	↓ -9.72%
ACADEMY	1.79	-0.19	↓ -9.60%
AFRIPRUD	9.45	-1.00	↓ -9.57%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.31%	↓ -2.64%	↓ -2.23%	↑ 30.84%
NSE Banking Index	↓ -1.73%	↓ -5.38%	↓ -4.01%	↓ -11.18%
NSE Insurance Index	↓ -0.82%	↓ -0.70%	↓ -3.96%	↑ 16.61%
NSE Industrial Goods Index	↑ 0.00%	↓ -5.89%	↓ -5.57%	↑ 63.50%
NSE Consumer Goods Index	↓ -2.08%	↓ -2.81%	↓ -3.80%	↑ 35.69%
NSE Oil & Gas Index	↑ 0.35%	↑ 1.15%	↑ 5.51%	↑ 45.73%

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