

MARKET COMMENTARY

DATE: Friday 31 July | 2024

Money Market

Opening system liquidity increased further today. Nonetheless, the Open Repo Rate (OPR) increased by 4 bps to 25.43%, while the Overnight Rate (O/N) decreased by 2bps to 25.85%.

Outlook: We expect interbank rates to cling to the same levels tomorrow.

Treasury Bills

The treasury bills market exhibited some bullish sentiment today, with buying interests on several bills, particularly February and March 2025 papers. Consequently, the average mid-rate across the benchmark NTB papers fell by 46bps to 23.13%.

Outlook: We expect the bullish bias to persist.

FGN Bonds

The local FGN bond market settled bearish today. Noticeably, the bulk of today's activity was cantered on the 2038, 2050 and 2053 maturities. As a result, the average mid-yield increased by 3bps to 19.63%.

Outlook: We expect market to remain bearish.

Eurobonds

The Eurobonds market sustained a bearish theme today, as players took position ahead of Fed's interest rate decision. Although, the bearish sentiment was intense on Nigeria and Egypt papers, compared to other African papers, which had a mixed theme. Thus, the average mid-yield for the Nigerian papers increased by 6 bps to 10.06%.

Outlook: We expect the Fed's interest rate decision and forward guidance to drive activity tomorrow.

Benchmark T-Bills Discount Rates			
	31-Jul-24	30-Jul-24	Change in Rates
85 days	20.00%	20.00%	→ 0.00%
176 days	22.50%	22.50%	→ 0.00%
330 days	20.53%	20.53%	→ 0.00%

Source: FMDQ DQL for 31 July 2024

Benchmark FGN Bond Yields			
	31-Jul-24	30-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%	18.74%	→ 0.00%

Source: FMDQ DQL for 31 July 2024

Benchmark FGN Eurobond Yields			
	31-Jul-24	30-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.16%	9.12%	↑ 0.04%
10 yrs: NGERIA 7.875 02/16/32	10.25%	10.22%	↑ 0.03%
15 yrs: NGERIA 7.696 23/02/38	10.76%	10.68%	↑ 0.08%
30 yrs: NGERIA 9.248 01/21/49	10.70%	10.63%	↑ 0.07%
7.125% ECOTRAN 16/02/26*	8.54%	8.53%	↑ 0.01%

Source: FBNI UK Runs for 31 July 2024

NAFEM RATE (\$/N)		Diff.
31-Jul-24	1,608.73	
30-Jul-24	1,621.12	↑ (12.39)

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
31-Jul-24	635.58	
30-Jul-24	563.94	↑ 71.64

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	20.32
AIICO BALANCED FUND	6.43
AIICO EUROBOND FUND	6.96

As of 30 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 0.06% to reach 97,774.22 points. The year-to-date return and market capitalization settled at 30.76% and ₦55.51 trillion, respectively. FIDELITYBK recorded the highest trading volume with 1.33 billion units, as well as the highest value chart with ₦14.04 billion.

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

Foreign Exchange

Naira appreciated against the USD by 0.76% to \$/₦1,608.73.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil price jumped today after Hamas political leader Ismail Haniyeh was assassinated in Tehran, Iran, renewing fears that the Middle East is teetering on the brink of a regional war. Brent prices increased by 2.72% to \$80.77, while WTI prices gained 4.11% to \$77.80. Similarly, the price of gold increased by 0.79% to \$2,471.20 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
UPL	2.42	0.22	↑ 10.00%
VERITASKAP	0.99	0.09	↑ 10.00%
IMG	14.30	1.30	↑ 10.00%
CORNERST	2.05	0.18	↑ 9.63%
ACADEMY	1.96	0.17	↑ 9.50%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CUTIX	5.13	-0.57	↓ -10.00%
NAHCO	35.10	-3.90	↓ -10.00%
BERGER	13.50	-1.50	↓ -10.00%
NB	25.25	-2.75	↓ -9.82%
SCOA	1.94	-0.21	↓ -9.77%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.06%	↓ -2.58%	↓ -2.28%	↑ 30.76%
NSE Banking Index	↑ 0.57%	↓ -4.05%	↓ -3.47%	↓ -10.67%
NSE Insurance Index	↑ 1.46%	↑ 0.37%	↓ -2.57%	↑ 18.31%
NSE Industrial Goods Index	↓ -0.02%	↓ -5.94%	↓ -5.58%	↑ 63.47%
NSE Consumer Goods Index	↓ -0.76%	↓ -3.33%	↓ -4.53%	↑ 34.66%
NSE Oil & Gas Index	↑ 0.04%	↑ 1.19%	↑ 5.55%	↑ 45.79%

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