

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Thursday 01 August | 2024

Money Market

Opening system liquidity decreased by c.0.40% compared to yesterday's balance. However, the Open Repo Rate (OPR) declined by 15 bps to 25.28%, while the Overnight Rate (O/N) decreased by 13bps to 25.72%.

Outlook: We expect slight changes in interbank rates tomorrow.

Treasury Bills

The treasury bills market closed bearish today. Noticeably, activity was saturated across the April, May and July papers. Overall, the average mid-rate across the benchmark NTB papers increased by 27bps to 23.40%.

Outlook: We expect a similar occurrence tomorrow.

FGN Bonds

The local FGN bond market was less active today. Only a few interests were seen on the 2033 and 2050 papers. At the end of trading, market closed flat as the average mid-yield remained unchanged at 19.63%.

Outlook: We expect market to trend sideways tomorrow.

Eurobonds

The Eurobonds market recovered some of its losses, after the Federal Reserve maintained a hold stance with a rate cut in view as soon as September's meeting. Consequently, the average mid-yield for the Nigerian papers increased by 1 bp to 10.07%.

Outlook: We expect sentiment to be impacted by the US Job report tomorrow.

Benchmark T-Bills Discount Rates			
	01-Aug-24	31-Jul-24	Change in Rates
84 days	20.00%	20.00%	→ 0.00%
175 days	22.50%	22.50%	→ 0.00%
329 days	20.53%	20.53%	→ 0.00%

Source: FMDQ DQL for 01 Aug 2024

Benchmark FGN Bond Yields			
	01-Aug-24	31-Jul-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.69%	19.68%	↑ 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	18.74%	18.74%	→ 0.00%

Source: FMDQ DQL for 01 Aug 2024

Benchmark FGN Eurobond Yields			
	01-Aug-24	31-Jul-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.12%	9.16%	↓ -0.04%
10 yrs: NGERIA 7.875 02/16/32	10.35%	10.25%	↑ 0.10%
15 yrs: NGERIA 7.696 23/02/38	10.70%	10.76%	↓ -0.06%
30 yrs: NGERIA 9.248 01/21/49	10.67%	10.70%	↓ -0.04%
7.125% ECOTRAN 16/02/26*	8.54%	8.54%	→ 0.00%

Source: FBNIH UK Runs for 01 Aug 2024

	NAFEM RATE (\$/N)	Diff.
1-Aug-24	1,570.00	
31-Jul-24	1,608.73	↑ (38.73)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
1-Aug-24	633.04	
31-Jul-24	635.58	↓ (2.54)

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)	36.80 (+11.80% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*80.77 (+2.72 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed bearish, as the All-Share Index decreased by 0.42% to reach 97,359.76 points. The year-to-date return and market capitalization settled at 30.21% and ₦55.28 trillion, respectively. FIDELITYBK recorded the highest trading volume with 372.91 billion units, as well as the highest value chart with ₦3.94 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 decreased today amidst tensions between Iran and Israel. Brent prices decreased by 0.75% to \$80.23, while WTI prices fell by 1.05% to \$77.09. Similarly, the price of gold increased by 0.67% to \$2,489.50 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
UCAP	11.05	1.00	↑ 9.95%
AFRIPRUD	9.40	0.85	↑ 9.94%
CUTIX	5.64	0.51	↑ 9.94%
TANTALIZER	0.46	0.04	↑ 9.52%
UPDCREIT	4.85	0.40	↑ 8.99%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
MECURE	8.15	-0.90	↓ -9.94%
THOMASWY	1.76	-0.19	↓ -9.74%
WAPIC	0.78	-0.07	↓ -8.24%
OANDO	23.00	-2.00	↓ -8.00%
DANGSUGAR	34.30	-2.85	↓ -7.67%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.42%	↓ -2.79%	↓ -0.42%	↑ 30.21%
NSE Banking Index	↑ 0.42%	↓ -2.09%	↑ 0.42%	↓ -10.30%
NSE Insurance Index	↓ -0.18%	↑ 0.91%	↓ -0.18%	↑ 18.09%
NSE Industrial Goods Index	↑ 0.01%	↓ -5.92%	↑ 0.01%	↑ 63.50%
NSE Consumer Goods Index	↓ -0.55%	↓ -3.55%	↓ -0.55%	↑ 33.93%
NSE Oil & Gas Index	↓ -0.05%	↑ 1.12%	↓ -0.05%	↑ 45.71%

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