

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Monday 05 August | 2024

Money Market

Opening system liquidity decreased slightly by c.0.76% compared to Friday's balance. However, the Open Repo Rate (OPR) declined by 21 bps to 25.40%, while the Overnight Rate (O/N) decreased by 26bps to 25.80%.

Outlook: We expect slight changes in interbank rates tomorrow.

Treasury Bills

The treasury bills market was mixed-to-bearish today with selling interest predominantly seen across the mid to long dated papers. At the end of trading, the average mid-rate across the benchmark NTB papers increased by 91bps to 23.17%.

Outlook: We expect a similar occurrence tomorrow.

FGN Bonds

The local FGN bond market was relatively quiet today. Although, market settled slightly bearish, with the average mid-yield increasing marginally by 1bp to 19.64%.

Outlook: We expect market to trend sideways tomorrow.

Eurobonds

The Eurobonds market experienced selloffs across the curve, in tandem with global headwinds. Consequently, the average mid-yield for the Nigerian papers increased by 47bp to 10.81%.

Outlook: We expect the bearish sentiment to persist tomorrow.

Benchmark T-Bills Discount Rates			
	05-Aug-24	02-Aug-24	Change in Rates
80 days	20.00%	20.00%	→ 0.00%
171 days	22.50%	22.50%	→ 0.00%
325 days	21.70%	20.53%	↑ 1.17%

Source: FMDQ DQL for 05 Aug 2024

Benchmark FGN Bond Yields			
	05-Aug-24	02-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.70%	19.69%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	18.04%	18.04%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.50%	17.51%	↓ -0.01%
30 yrs: 12.98% 27-Mar-2050	18.74%	18.74%	→ 0.00%

Source: FMDQ DQL for 05 Aug 2024

Benchmark FGN Eurobond Yields			
	05-Aug-24	02-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.98%	9.45%	↑ 0.53%
10 yrs: NGERIA 7.875 02/16/32	11.12%	10.62%	↑ 0.50%
15 yrs: NGERIA 7.696 23/02/38	11.44%	11.02%	↑ 0.42%
30 yrs: NGERIA 9.248 01/21/49	11.24%	10.90%	↑ 0.34%
7.125% ECOTRAN 16/02/26*	8.91%	8.73%	↑ 0.18%

Source: FBN UK Runs for 05 Aug 2024

	NAFEM RATE (\$/N)	Diff.
5-Aug-24	1,607.15	
2-Aug-24	1,617.08	↑ (9.93)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
5-Aug-24	655.48	
2-Aug-24	660.49	↓ (5.01)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	20.42
AIICO BALANCED FUND	6.88
AIICO EUROBOND FUND	6.80

As of 02 August 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)	36.84 (+11.92% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*76.36 (+0.59 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed bearish, as the All-Share Index decreased by 0.17% to reach 97,582.41 points. The year-to-date return and market capitalization settled at 30.50% and ₦55.40 trillion, respectively. ZENITHBANK recorded the highest trading volume with 36.99 billion units, as well as the highest value chart with ₦1.33 billion.

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

Foreign Exchange

Naira appreciated against the USD by 0.61% to \$/₦1,607.15.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil declined today on fears the economy might be teetering on the brink of a recession. Brent prices decreased by 0.59% to \$76.36, while WTI prices fell by 0.73% to \$72.98. Gold prices eased in volatile trading today as investors liquidated positions in tandem with a broader equity sell-off. The price of gold decreased by 0.99% to \$2,445.20 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
PRESCO	485.10	44.10	↑ 10.00%
SOVRENINS	0.55	0.05	↑ 10.00%
INTBREW	4.62	0.42	↑ 10.00%
OANDO	27.80	2.50	↑ 9.88%
UCAP	13.35	1.20	↑ 9.88%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CHAMS	1.98	-0.22	↓ -10.00%
UPL	2.18	-0.24	↓ -9.92%
TIP	2.00	-0.18	↓ -8.26%
OMATEK	0.56	-0.05	↓ -8.20%
MAYBAKER	6.50	-0.54	↓ -7.67%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.17%	↓ -0.56%	↓ -0.20%	↑ 30.50%
NSE Banking Index	↓ -1.29%	↓ -0.76%	↑ 0.42%	↓ -10.30%
NSE Insurance Index	↓ -0.98%	↑ 0.44%	↓ -0.18%	↑ 18.09%
NSE Industrial Goods Index	↓ -0.01%	↓ 0.00%	↑ 0.01%	↑ 63.50%
NSE Consumer Goods Index	↓ -0.09%	↓ -3.35%	↓ -0.55%	↑ 33.93%
NSE Oil & Gas Index	↓ -2.50%	↑ 0.34%	↓ -0.05%	↑ 45.71%

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