

MARKET COMMENTARY

DATE: Tuesday 06 August | 2024

Money Market

Opening system liquidity decreased by c.21.37% compared to yesterday's balance. However, the Open Repo Rate (OPR) declined by 5 bps to 25.35%, while the Overnight Rate (O/N) increased by 10bps to 25.90%.

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

Treasury Bills

The treasury bills market was calm today. Nevertheless, market closed bearish, as the average mid-rate across the benchmark NTB papers increased by 12bps to 23.29%.

Outlook: We market to be skewed towards the NTB auction tomorrow. The DMO would be offering N216.09 billion across the three tenors.

FGN Bonds

The local FGN bond market also settled bearish, with the average mid-yield increasing by 7bps to 19.71%.

Outlook: We expect market the bearish bias to persist, albeit, with less intensity.

Eurobonds

The Eurobonds market witnessed a rebound across the African papers, with support from the stronger-than-expected ISM Services PMI at 51.40 (Est. 51.1), from 48.8. Consequently, the average mid-yield for the Nigerian papers fell by 13bp to 10.68%.

Outlook: We expect volatility to subside tomorrow.

AUCTION DATE	TENOR	OFFER AMOUNT (N)	LAST STOP RATE	EXPECTED STOP RATE RANGE
7 Aug 24	91-Day	16,592,718,000.00	18.50%	18.4000 – 19.0000
7 Aug 24	182-Day	51,348,833,000.00	19.50%	19.4500 – 19.8500
7 Aug 24	364-Day	148,150,790,000.00	22.10%	22.1000 – 22.9500

Benchmark T-Bills Discount Rates				
	06-Aug-24	05-Aug-24	Change in Rates	
79 days	20.00%	20.00%	➡	0.00%
170 days	22.50%	22.50%	➡	0.00%
324 days	21.70%	21.70%	➡	0.00%

Source: FMDQ DQL for 06 Aug 2024

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

Source: FMDQ DQL for 06 Aug 2024

Benchmark FGN Eurobond Yields				
	06-Aug-24	05-Aug-24	Change in Yield	
5 yrs: NGERIA 6 1/2 11/28/27	9.84%	9.98%	⬇	-0.14%
10 yrs: NGERIA 7.875 02/16/32	11.03%	11.12%	⬇	-0.09%
15 yrs: NGERIA 7.696 23/02/38	11.31%	11.44%	⬇	-0.13%
30 yrs: NGERIA 9.248 01/21/49	11.12%	11.24%	⬇	-0.12%
7.125% ECOTRAN 16/02/26*	8.92%	8.91%	⬆	0.01%

Source: FBN UK Runs for 06 Aug 2024

NAFEM RATE (\$/N)		Diff.
6-Aug-24	1,601.00	
5-Aug-24	1,607.15	⬆ (6.15)

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
6-Aug-24	515.42	
5-Aug-24	655.48	⬇ (140.06)

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)	36.86 (+12.00% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*77.06 (+1.00 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed bearish, as the All-Share Index decreased by 0.67% to reach 96,928.52 points. The year-to-date return and market capitalization settled at 29.63% (from 30.50%) and ₦55.03 trillion, respectively. UBA recorded the highest trading volume with 62.83 billion units, as well as the highest value chart with ₦1.30 billion.

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

Foreign Exchange

Naira appreciated against the USD by 0.38% to \$/₦1,601.00.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil price appreciated today, amidst the risk of a major escalation in the Middle East. Brent prices increased by 1.00% to \$77.06, while WTI prices gained 0.90% to \$73.60. Gold prices eased declined by 0.77% to \$2,425.20 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
ACADEMY	2.20	0.20	↑ 10.00%
NASCON	32.45	2.95	↑ 10.00%
OANDO	30.55	2.75	↑ 9.89%
SKYAVN	22.40	2.00	↑ 9.80%
RTBRISCOE	1.01	0.09	↑ 9.78%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
BUACEMENT	128.90	-14.30	↓ -9.99%
THOMASWY	1.61	-0.15	↓ -8.52%
CHAMPION	2.77	-0.24	↓ -7.97%
ETERNA	17.60	-1.40	↓ -7.37%
FIDSON	13.75	-1.00	↓ -6.78%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.67%	↓ -0.92%	↓ -0.86%	↑ 29.63%
NSE Banking Index	↑ 1.74%	↑ 2.75%	↑ 2.17%	↓ -8.74%
NSE Insurance Index	↑ 1.25%	↑ 2.53%	↑ 1.06%	↑ 19.56%
NSE Industrial Goods Index	↓ -3.66%	↓ -3.66%	↓ -3.65%	↑ 57.51%
NSE Consumer Goods Index	↑ 1.51%	↑ 0.19%	↑ 0.95%	↑ 35.95%
NSE Oil & Gas Index	↑ 2.37%	↑ 2.36%	↑ 2.32%	↑ 49.17%

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