

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Wednesday 07 August | 2024

### Money Market

Opening system liquidity decreased by c.4.67% compared to yesterday's balance. However, the Open Repo Rate (OPR) increased by 5 bps to 25.40%, while the Overnight Rate (O/N) decreased by 5bps to 25.85%.

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

### Treasury Bills

The treasury bills market witnessed slight buying interests today. Overall, market settled bullish, as the average mid-rate across the benchmark NTB papers decreased by 5bps to 23.23%.

**Outlook:** We expect the outcome of the NTB auction result to impact tomorrow's trading session.

### FGN Bonds

The local FGN bond market also traded bullish, although with less intensity. Most of the activity was skewed to May 2033 and 2053 papers. Overall, the average mid-yield decreased by 1bp to 19.70%.

**Outlook:** We expect market to trade calmly tomorrow.

### Eurobonds

The Eurobonds market extended its bullish bias today with buy-side interests across the African papers. Consequently, the average mid-yield for the Nigerian papers fell by 22bp to 10.46%.

**Outlook:** We expect a similar trading session tomorrow.

Benchmark T-Bills Discount Rates			
	07-Aug-24	06-Aug-24	Change in Rates
78 days	22.09%	20.00%	↑ 2.09%
169 days	22.50%	22.50%	→ 0.00%
324 days	21.70%	21.70%	→ 0.00%

Source: FMDQ DQL for 07 Aug 2024

Benchmark FGN Bond Yields			
	07-Aug-24	06-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.71%	19.70%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	18.04%	18.04%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.50%	17.50%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.70%	18.74%	↓ -0.04%

Source: FMDQ DQL for 07 Aug 2024

Benchmark FGN Eurobond Yields			
	07-Aug-24	06-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.65%	9.84%	↓ -0.19%
10 yrs: NGERIA 7.875 02/16/32	10.79%	11.03%	↓ -0.24%
15 yrs: NGERIA 7.696 23/02/38	11.11%	11.31%	↓ -0.20%
30 yrs: NGERIA 9.248 01/21/49	11.01%	11.12%	↓ -0.11%
7.125% ECOTRAN 16/02/26*	8.92%	8.92%	→ 0.00%

Source: FBNH UK Runs for 07 Aug 2024

	NAFEM RATE (\$/N)	Diff.
7-Aug-24	1,596.52	
6-Aug-24	1,601.00	↑ (4.48)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
7-Aug-24	539.49	
6-Aug-24	515.42	↑ 24.07

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)	36.87 (+12.02% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*78.60 (+2.77 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market closed bullish, as the All-Share Index increased by 0.18% to reach 97,098.98 points. The year-to-date return and market capitalization settled at 29.86% (from 29.63%) and ₦55.13 trillion, respectively. ACCESSCORP recorded the highest trading volume with 112.62 million units, while GTCO topped the highest value chart with ₦3.33 billion.

**Outlook:** *We expect market to trade sideways tomorrow.*

## Foreign Exchange

Naira appreciated against the USD by 0.28% to \$/₦1,596.52.

**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 2.77% to \$78.60, while WTI prices accelerated by 3.19% to \$75.31. Gold prices increased by 0.18% to \$2,435.80 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
REDSTAREX	4.18	0.38	↑ 10.00%
OANDO	33.60	3.05	↑ 9.98%
RTBRISCOE	1.11	0.10	↑ 9.90%
UCAP	16.10	1.45	↑ 9.90%
IMG	17.25	1.55	↑ 9.87%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NEIMETH	1.80	-0.15	↓ -7.69%
HONYFLOUR	3.85	-0.25	↓ -6.10%
SOVRENINS	0.51	-0.03	↓ -5.56%
DEAPCAP	0.48	-0.02	↓ -4.00%
ETI	20.70	-0.80	↓ -3.72%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.18%	↓ -0.69%	↓ -0.69%	↑ 29.86%
NSE Banking Index	↑ 0.97%	↑ 3.16%	↑ 3.16%	↓ -7.85%
NSE Insurance Index	↑ 0.81%	↑ 1.88%	↑ 1.88%	↑ 20.53%
NSE Industrial Goods Index	↑ 2.36%	↓ -1.37%	↓ -1.37%	↑ 61.24%
NSE Consumer Goods Index	↓ -0.30%	↑ 0.65%	↑ 0.65%	↑ 35.54%
NSE Oil & Gas Index	↑ 0.11%	↑ 2.43%	↑ 2.43%	↑ 49.33%

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