

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Thursday 08 August | 2024

Money Market

Opening system liquidity decreased by c.36.94% compared to yesterday's balance. Thus, the Open Repo Rate (OPR) increased by 557 bps to 30.97%, while the Overnight Rate (O/N) increased by 587bps to 31.72%.

Outlook: We expect system liquidity to open lower tomorrow, while interbank rates remain elevated.

Treasury Bills

The treasury bills market observed some buying interests today. Overall, market closed the session bullish, as the average mid-rate across the benchmark NTB papers decreased by 40bps to 22.83%.

Outlook: We expect the bullish sentiment to linger tomorrow.

FGN Bonds

The local FGN bond market also had a bullish trend, with few demands recorded in May 2033 and 2034 maturities. Overall, the average mid-yield decreased by 7bp to 19.63%.

Outlook: We expect a similar trend tomorrow. The DMO rescheduled the FGN bond auction earlier scheduled for August 12 to August 19.

Eurobonds

The Eurobonds market posted mixed sentiments in today's session. Also, the US Initial Jobless Claims printed lower at 233k (Est. 240k) from 250k. Overall, the average mid-yield for the Nigerian papers fell by 3bp to 10.43%.

Outlook: We expect the mixed sentiment to persist.

Benchmark T-Bills Discount Rates			
	08-Aug-24	07-Aug-24	Change in Rates
77 days	22.09%	22.09%	→ 0.00%
168 days	22.50%	22.50%	→ 0.00%
322 days	21.70%	21.70%	→ 0.00%

Source: FMDQ DQL for 08 Aug 2024

Benchmark FGN Bond Yields			
	08-Aug-24	07-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.97%	19.71%	↑ 0.26%
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%	18.70%	→ 0.00%

Source: FMDQ DQL for 08 Aug 2024

Benchmark FGN Eurobond Yields			
	08-Aug-24	07-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.66%	9.65%	↑ 0.01%
10 yrs: NGERIA 7.875 02/16/32	10.71%	10.79%	↓ -0.08%
15 yrs: NGERIA 7.696 23/02/38	11.05%	11.11%	↓ -0.06%
30 yrs: NGERIA 9.248 01/21/49	11.00%	11.01%	↓ -0.01%
7.125% ECOTRAN 16/02/26*	8.93%	8.92%	↑ 0.01%

Source: FBNH UK Runs for 08 Aug 2024

	NAFEM RATE (\$/N)	Diff.
8-Aug-24	1,593.62	
7-Aug-24	1,596.52	↑ (2.90)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
8-Aug-24	340.22	
7-Aug-24	539.49	↓ (199.27)

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	*78.84 (+0.65 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed bullish, as the All-Share Index increased by 1.05% to reach 98,116.27 points. The year-to-date return and market capitalization settled at 31.22% and ₦55.70 trillion, respectively. ACCESSCORP recorded the highest trading volume with 115.98 million units, while GTCO topped the highest value chart with ₦5.06 billion.

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

Foreign Exchange

Naira appreciated against the USD by 0.18% to \$/₦1,593.62.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil rose today, as positive Labor data eased recession fears and simmering Middle East tensions supported prices. Brent prices increased by 0.65% to \$78.84, while WTI prices rose by 0.85% to \$75.82. Gold prices increased by 1.05% to \$2,458.00 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
UNILEVER	18.70	1.70	↑ 10.00%
MTNN	198.00	18.00	↑ 10.00%
VITAFOAM	19.25	1.75	↑ 10.00%
OKOMUOIL	353.30	32.10	↑ 9.99%
OANDO	36.95	3.35	↑ 9.97%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
UCAP	14.50	-1.60	↓ -9.94%
ABBEYBDS	2.40	-0.21	↓ -8.05%
STERLINGNG	4.00	-0.24	↓ -5.66%
IKEIAHOTEL	6.80	-0.40	↓ -5.56%
CHAMS	2.11	-0.12	↓ -5.38%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.05%	↑ 0.78%	↑ 0.35%	↑ 31.22%
NSE Banking Index	↑ 1.72%	↑ 4.50%	↑ 4.94%	↓ -6.27%
NSE Insurance Index	↑ 1.38%	↑ 3.48%	↑ 3.28%	↑ 22.19%
NSE Industrial Goods Index	↓ -2.31%	↓ -3.66%	↓ -3.65%	↑ 57.51%
NSE Consumer Goods Index	↑ 0.54%	↑ 1.75%	↑ 1.19%	↑ 36.27%
NSE Oil & Gas Index	↑ 0.33%	↑ 2.82%	↑ 2.77%	↑ 49.83%

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