

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Wednesday 14 August | 2024

### Money Market

System liquidity opened narrowly positive today, following yesterday's deficit balance. Thus, the Open Repo Rate (OPR) decreased by 244 bps to 34.17%, and the Overnight Rate (O/N) dropped by 191 bps to 35.06%.

**Outlook:** We expect opening system liquidity to remain positive tomorrow.

### Treasury Bills

The treasury bills market witnessed mixed sentiments, with an overall bullish settlement. Consequently, the average mid-rate across the benchmark NTB papers decreased by 14 bps to 21.24%.

**Outlook:** We expect the bullish sentiment to linger.

### FGN Bonds

The local FGN bonds market traded cautiously as participants continued to anticipate next week's FGN bond auction. However, there was sustained buying interest for May 2033, 2049, 2050, and 2053 papers. Overall, the average mid-yield fell marginally by 1 bp to 19.52%.

**Outlook:** We expect the current trend to persist tomorrow.

### Eurobonds

The Eurobonds market was bullish, supported by lower-than-expected US Consumer Price Index. US inflation grew by 0.20% m/m, in line with market forecasts. However, year-on-year inflation grew by 2.90% y/y, lower than the estimated 3.0% y/y. Overall, the average mid-yield for Nigerian papers declined by 6 bps to 10.33%.

**Outlook:** We anticipate that the current bullish bias will be influenced by tomorrow's indicators, including Initial Jobless Claims and US retail sales.

Benchmark T-Bills Discount Rates			
	14-Aug-24	13-Aug-24	Change in Rates
71 days	22.09%	22.09%	→ 0.00%
162 days	22.50%	22.50%	→ 0.00%
316 days	21.70%	21.70%	→ 0.00%

Source: FMDQ DQL for 14 Aug 2024

Benchmark FGN Bond Yields			
	14-Aug-24	13-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	20.00%	19.99%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	18.05%	18.05%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.50%	17.50%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.62%	18.62%	→ 0.00%

Source: FMDQ DQL for 14 Aug 2024

Benchmark FGN Eurobond Yields			
	14-Aug-24	13-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.48%	9.57%	↓ -0.09%
10 yrs: NGERIA 7.875 02/16/32	10.63%	10.68%	↓ -0.05%
15 yrs: NGERIA 7.696 23/02/38	10.96%	10.96%	→ 0.00%
30 yrs: NGERIA 9.248 01/21/49	10.88%	10.91%	↓ -0.03%
7.125% ECOTRAN 16/02/26*	8.94%	9.03%	↓ -0.09%

Source: FBN UK Runs for 14 Aug 2024

NAFEM RATE (\$/N)		Diff.
14-Aug-24	1,586.04	
13-Aug-24	1,582.09	↑ 3.95

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
14-Aug-24	5.06	
13-Aug-24	-509.16	↑ 514.22

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.20
AIICO BALANCED FUND	7.75
AIICO EUROBOND FUND	6.64

As of 11 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	*80.45 (-0.30 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market closed on a negative note, with the All-Share Index falling by 0.20% to reach 97,199.60 points. The year-to-date return and market capitalization settled at 29.99% and ₦55.18 trillion, respectively. VERITASKAP led the highest volume charts with 38.41 million units, while GTCO led the values chart ₦1.65 billion.

**Outlook:** *We expect the mixed-to-bearish trend to resurface tomorrow.*

## Foreign Exchange

Naira depreciated against the USD by 0.25% to ₦1,586.04.

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

## Commodities

Brent prices fell by 0.30% to \$80.45, while WTI prices lost 0.88% to \$77.66. Elsewhere, gold prices decreased by 0.90% to \$2,485.20 per ounce after data showed U.S. consumer prices rebounded as expected in July, pouring water on expectations for a sizable rate cut from the Federal Reserve next month.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
GUINEAINS	0.44	0.04	↑ 10.00%
SFSREIT	111.50	10.10	↑ 9.96%
RTBRISCOE	1.67	0.15	↑ 9.87%
HONYFLOUR	4.12	0.37	↑ 9.87%
NSLTECH	0.45	0.03	↑ 7.14%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
OANDO	36.20	-4.00	↓ -9.95%
CUTIX	5.36	-0.59	↓ -9.92%
ACADEMY	2.73	-0.26	↓ -8.70%
JAPAULGOLD	2.10	-0.18	↓ -7.89%
REDSTAREX	4.00	-0.30	↓ -6.98%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.20%	↑ 0.10%	↓ -0.59%	↑ 29.99%
NSE Banking Index	↓ -0.30%	↑ 1.08%	↑ 4.27%	↓ -6.86%
NSE Insurance Index	↓ -0.90%	↑ 0.35%	↑ 2.23%	↑ 20.95%
NSE Industrial Goods Index	↓ -0.02%	↓ -7.34%	↓ -8.60%	↑ 49.41%
NSE Consumer Goods Index	↓ -0.17%	↑ 2.89%	↑ 3.56%	↑ 39.46%
NSE Oil & Gas Index	↓ -0.17%	↑ 4.07%	↑ 6.60%	↑ 55.40%

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