

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Thursday 15 August | 2024

Money Market

Opening system liquidity stayed positive today. Thus, the Open Repo Rate (OPR) decreased by 173 bps to 32.44%, and the Overnight Rate (O/N) dropped by 184 bps to 33.22%.

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

Treasury Bills

The treasury bills market closed bullish today. Consequently, the average mid-rate across the benchmark NTB papers decreased by 33 bps to 20.90%.

Outlook: We expect the bullish sentiment to linger.

FGN Bonds

The local FGN bonds market witnessed a bullish posture, with buying interests on selected papers. Overall, the average mid-yield fell by 9 bps to 19.43%.

Outlook: We expect the current trend to persist tomorrow.

Eurobonds

The Eurobonds market experienced a mixed-to-bearish trend today, with increased activity in most African papers. Additionally, US retail sales saw a 1.0% increase (Estimated at 0.30%), compared to the -0.20% as shown in the preceding data. Furthermore, the US Initial Jobless Claims were reported at 227k (Est. 234k), lower than the previous reading of 233k. Overall, the average mid-yield for Nigerian papers increased marginally by 1 bp to 10.34%.

Outlook: We anticipate the bullish sentiment to persist.

Benchmark T-Bills Discount Rates			
	15-Aug-24	14-Aug-24	Change in Rates
70 days	22.09%	22.09%	→ 0.00%
161 days	22.50%	22.50%	→ 0.00%
315 days	21.70%	21.70%	→ 0.00%

Source: FMDQ DQL for 15 Aug 2024

Benchmark FGN Bond Yields			
	15-Aug-24	14-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	20.00%	20.00%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.50%	18.05%	↑ 0.45%
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 15 Aug 2024

Benchmark FGN Eurobond Yields			
	15-Aug-24	14-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.53%	9.48%	↑ 0.05%
10 yrs: NGERIA 7.875 02/16/32	10.52%	10.63%	↓ -0.11%
15 yrs: NGERIA 7.696 23/02/38	10.94%	10.96%	↓ -0.02%
30 yrs: NGERIA 9.248 01/21/49	10.88%	10.88%	→ 0.00%
7.125% ECOTRAN 16/02/26*	9.14%	8.94%	↑ 0.20%

Source: FBN UK Runs for 15 Aug 2024

	NAFEM RATE (\$/N)	Diff.
15-Aug-24	1,564.48	
14-Aug-24	1,586.04	↑ (21.56)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
15-Aug-24	18.64	
14-Aug-24	5.06	↑ 13.58

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.27
AIICO BALANCED FUND	7.83
AIICO EUROBOND FUND	6.78

As of 14 August 2024

Macro Indicators	
GDP (Q1 2024)	+2.98% (Q4: 2023 +3.46% y/y)
Inflation (July'2024)	33.40% (Jun'24: 34.19%)
External Reserve (US\$'billion)	36.54 (+11.01% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*81.27 (+1.91 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 0.10% to reach 97,100.36 points. The year-to-date return and market capitalization settled at 29.86% and ₦55.13 trillion, respectively. VERITASKAP led the highest volume charts with 33.38 million units, while GTCO led the values chart ₦725.23 million.

Outlook: *We expect a similar session tomorrow.*

Foreign Exchange

Naira appreciated against the USD by 1.36% to \$/₦1,564.48.

Outlook: *We expect volatility to persist.*

Commodities

Strong US retail sales for July and declining jobless claims gave investors renewed confidence in the U.S. economy. Thus, Brent prices increased by 1.91% to \$81.27, while WTI prices gained 1.88% to \$78.43. Elsewhere, gold prices increased by 0.65% to \$2,495.50 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
NEIMETH	2.18	0.19	↑ 9.55%
TOTAL	511.90	41.50	↑ 8.82%
AIICO	1.14	0.07	↑ 6.54%
CILEASING	2.97	0.17	↑ 6.07%
UPDC	1.28	0.06	↑ 4.92%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
OANDO	32.60	-3.60	↓ -9.94%
ABCTTRANS	0.76	-0.08	↓ -9.52%
LIVESTOCK	2.20	-0.22	↓ -9.09%
GUINEAINS	0.40	-0.04	↓ -9.09%
CWG	5.40	-0.45	↓ -7.69%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.10%	↓ -1.04%	↓ -0.69%	↑ 29.86%
NSE Banking Index	↑ 0.03%	↓ -0.61%	↑ 4.30%	↓ -6.84%
NSE Insurance Index	↑ 0.41%	↓ -0.62%	↑ 2.65%	↑ 21.44%
NSE Industrial Goods Index	↓ 0.00%	↓ -5.15%	↓ -8.61%	↑ 49.40%
NSE Consumer Goods Index	↓ -0.60%	↑ 1.72%	↑ 2.94%	↑ 38.62%
NSE Oil & Gas Index	↑ 2.07%	↑ 5.86%	↑ 8.80%	↑ 58.62%

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