

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Tuesday 20 August | 2024

### Money Market

Opening system liquidity declined significantly today. Thus, the Open Repo Rate (OPR) increased by 499 bps to 33.69%, and the Overnight Rate (O/N) rose by 498 bps to 34.36%.

**Outlook:** We expect interbank rates to stay elevated tomorrow, following FGN bond auction settlement.

### Treasury Bills

The treasury bills market closed on a bearish note today as the market traded cautiously ahead of tomorrow's primary auction. Consequently, the average mid-rate across the benchmark NTB papers increased by 9 bps to 20.63%.

**Outlook:** We expect attention to be tilted towards the NTB auction tomorrow, where the DMO would offering T-bills worth ₦409.98 billion.

### FGN Bonds

Today, the local FGN bonds market had a mixed to bearish trading session, with sideways movement observed on the New Apr 2029, May 2033, and 2053 papers. Despite this, the average mid-yield remained relatively unchanged at 19.34%.

**Outlook:** We expect sentiment to likely tilt bearish tomorrow.

### Eurobonds

Today, the Eurobonds market experienced a bullish trend. Overall, the average mid-yield for Nigerian papers decreased by 5 bps to 9.98%.

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

Benchmark T-Bills Discount Rates			
	20-Aug-24	19-Aug-24	Change in Rates
93 days	19.61%	19.61%	→ 0.00%
198 days	21.98%	23.30%	↓ -1.32%
324 days	20.63%	20.63%	→ 0.00%

Source: FMDQ DQL for 19 Aug 2024

Benchmark FGN Bond Yields			
	20-Aug-24	19-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	20.02%	20.02%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.51%	18.51%	→ 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 19 Aug 2024

Benchmark FGN Eurobond Yields			
	20-Aug-24	19-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.20%	9.20%	→ 0.00%
10 yrs: NGERIA 7.875 02/16/32	10.26%	10.31%	↓ -0.05%
15 yrs: NGERIA 7.696 23/02/38	10.62%	10.71%	↓ -0.09%
30 yrs: NGERIA 9.248 01/21/49	10.63%	10.65%	↓ -0.02%
7.125% ECOTRAN 16/02/26*	9.15%	9.14%	↑ 0.01%

Source: FBN UK Runs for 19 Aug 2024

	NAFEM RATE (\$/N)	Diff.
20-Aug-24	1,592.06	
19-Aug-24	1,579.89	↑ 12.17

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
20-Aug-24	-104.27	
19-Aug-24	943.66	↓ (1,047.93)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.06
AIICO BALANCED FUND	8.09
AIICO EUROBOND FUND	6.82

As of 18 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)	36.52 (+10.95% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*77.20 (-0.59 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market closed bullish today, as the All-Share Index rose by 0.12% to reach 95,895.92 points. The year-to-date return and market capitalization settled at 28.25% and ₦54.45 trillion, respectively. JAIZBANK led both the highest volume and values charts with 651.29 million units and ₦1.45 billion.

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

## Foreign Exchange

Naira depreciated against the USD by 0.77% to \$/₦1,592.06.

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

## Commodities

Crude oil prices dropped today, following previous session's decline due to concerns about demand in Asia and ceasefire discussions in the Middle East. Brent prices decreased by 0.59% to \$77.20, while WTI prices fell by 0.58% to \$73.94. Meanwhile, gold prices rose by 0.07% to \$2,543.20 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
LEARNAFRCA	3.87	0.35	↑ 9.94%
OANDO	43.30	3.90	↑ 9.90%
CUTIX	2.90	0.26	↑ 9.85%
RTBRISCOE	2.05	0.18	↑ 9.63%
UPL	2.66	0.21	↑ 8.57%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
THOMASWY	1.58	-0.17	↓ -9.71%
OMATEK	0.68	-0.05	↓ -6.85%
FTNCOCOA	1.92	-0.14	↓ -6.80%
NEIMETH	1.90	-0.10	↓ -5.00%
TIP	2.15	-0.10	↓ -4.44%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.12%	↓ -1.53%	↓ -1.92%	↑ 28.25%
NSE Banking Index	↑ 0.44%	↑ 0.56%	↑ 5.17%	↓ -6.06%
NSE Insurance Index	↑ 0.23%	↓ -0.23%	↑ 2.92%	↑ 21.77%
NSE Industrial Goods Index	↑ 0.02%	↓ -4.98%	↓ -13.14%	↑ 41.99%
NSE Consumer Goods Index	↓ -0.08%	↓ -2.17%	↑ 1.48%	↑ 36.66%
NSE Oil & Gas Index	↑ 0.43%	↑ 2.57%	↑ 9.53%	↑ 59.68%

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