

## MARKET COMMENTARY

DATE: Wednesday 21 August | 2024

### Money Market

Opening system liquidity increased today, causing the Open Repo Rate (OPR) to decrease by 764 bps to 26.05%, while the Overnight Rate (O/N) decreased by 776 bps to 26.60%.

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

### Treasury Bills

The treasury bills market ended on a bullish note today, as there is anticipation for a decrease in stop rates at the primary market auction. As a result, the average mid-rate across the benchmark NTB papers declined by 5 bps to 20.58%.

**Outlook:** We expect the auction results to impact the direction of tomorrow's trading session.

### FGN Bonds

Today, the local FGN bonds market witnessed less volatility. Overall, market closed flat, and the average mid-yield remained relatively unchanged at 19.34%.

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

### Eurobonds

Today, the Eurobond market settled slightly bullish as participants anticipated the minutes from the last FOMC meeting. Overall, the average mid-yield for Nigerian papers decreased by 6 bps to 9.92%.

**Outlook:** We expect that any major surprises in the minutes will impact tomorrow's trading session. Also, the market will shift its attention to the US PMI and Initial Jobless Claims data.

Benchmark T-Bills Discount Rates			
	21-Aug-24	20-Aug-24	Change in Rates
92 days	19.78%	19.61%	↑ 0.17%
197 days	21.78%	21.98%	↓ -0.20%
323 days	20.63%	20.63%	→ 0.00%

Source: FMDQ DQL for 21 Aug 2024

Benchmark FGN Bond Yields			
	21-Aug-24	20-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	20.03%	20.02%	↑ 0.01%
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 21 Aug 2024

Benchmark FGN Eurobond Yields			
	21-Aug-24	20-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.06%	9.20%	↓ -0.14%
10 yrs: NGERIA 7.875 02/16/32	10.18%	10.26%	↓ -0.08%
15 yrs: NGERIA 7.696 23/02/38	10.60%	10.62%	↓ -0.02%
30 yrs: NGERIA 9.248 01/21/49	10.60%	10.63%	↓ -0.03%
7.125% ECOTRAN 16/02/26*	10.60%	9.15%	↑ 1.45%

Source: FBN UK Runs for 21 Aug 2024

NAFEM RATE (\$/N)		Diff.
21-Aug-24	1,543.84	
20-Aug-24	1,592.06	↑ (48.22)

Source: FMDQ

Sys. Liq. (N'bn)		Diff.
21-Aug-24	69.50	
20-Aug-24	-104.27	↑ 173.77

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.12
AIICO BALANCED FUND	7.00
AIICO EUROBOND FUND*	6.79

As of 20 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)	36.48 (+10.83% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*77.35 (-0.19 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market closed bearish today, with the All-Share Index falling by 0.07% to reach 95,831.51 points. The year-to-date return and market capitalization settled at 28.16% and ₦55.05 trillion, respectively. OANDO led both the highest volume and values charts with 66.23 million units and ₦2.69 billion.

**Outlook:** *We expect the current sentiment to resurface tomorrow.*

## Foreign Exchange

Naira appreciated against the USD by 3.03% to \$/₦1,543.84.

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

## Commodities

Oil prices remained relatively stable today, with Brent prices rising by 0.19% to \$77.35 and WTI prices increasing by 0.03% to \$73.18. On the other hand, gold prices decreased, as investors awaited the minutes from the U.S. Federal Reserve's latest policy meeting for insights on potential interest rate cuts. As a result, the price of gold dropped by 0.14% to \$2,547.10 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
IKEJAHOTEL	7.70	0.70	↑ 10.00%
RTBRISCOE	2.25	0.20	↑ 9.76%
CUTIX	3.18	0.28	↑ 9.66%
TANTALIZER	0.57	0.05	↑ 9.62%
THOMASWY	1.69	0.11	↑ 6.96%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
UPL	2.41	-0.25	↓ -9.40%
OANDO	39.55	-3.75	↓ -8.66%
NASCON	32.20	-2.95	↓ -8.39%
MAYBAKER	7.00	-0.40	↓ -5.41%
CILEASING	2.80	-0.15	↓ -5.08%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.07%	↓ -1.41%	↓ -1.99%	↑ 28.16%
NSE Banking Index	↓ -0.30%	↑ 0.56%	↑ 4.85%	↓ -6.34%
NSE Insurance Index	↓ -0.10%	↑ 0.57%	↑ 2.82%	↑ 21.64%
NSE Industrial Goods Index	↑ 0.07%	↓ -4.90%	↓ -13.08%	↑ 42.09%
NSE Consumer Goods Index	↓ -0.02%	↓ -2.03%	↑ 1.46%	↑ 36.63%
NSE Oil & Gas Index	↓ -0.08%	↑ 2.67%	↑ 9.44%	↑ 59.55%

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