

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Thursday 22 August | 2024

### Money Market

The Open Repo Rate (OPR) decreased by 42 bps to 25.63%, and the Overnight Rate (O/N) decreased by 55 bps to 26.05% due to the increase in opening system liquidity today.

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

### Treasury Bills

The treasury bill market concluded on a positive note today, with unmet bids from the previous day's auction filtered into the market. This led to a 64-basis point decrease in the average mid-rate for the benchmark NTB papers, bringing it down to 19.94%.

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

### FGN Bonds

Today, the local FGN bonds market also showed a positive trend. There was significant activity around the 2033 and 2053 papers. Overall, the market settled bullish, with the average mid-yield decreasing by 17 bps to 19.17%.

**Outlook:** We expect the bullish sentiment to spill into tomorrow's trading session.

### Eurobonds

The African Eurobonds market began today's session with a mixed performance, but closed bearish at the end of the day. The US S&P flash PMI showed mixed results, with manufacturing PMI decreasing and services PMI increasing.. Overall, the average mid-yield for Nigerian papers increased by 1 bp to 9.93%.

**Outlook:** We expect attention to be tilted towards Jerome Powell's speech at the Jackson Hole retreat.

Benchmark T-Bills Discount Rates			
	22-Aug-24	21-Aug-24	Change in Rates
91 days	18.77%	19.78%	↓ -1.01%
196 days	21.13%	21.78%	↓ -0.65%
322 days	20.63%	20.63%	→ 0.00%

Source: FMDQ DQL for 22 Aug 2024

Benchmark FGN Bond Yields			
	22-Aug-24	21-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	20.03%	20.03%	→ 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 22 Aug 2024

Benchmark FGN Eurobond Yields			
	22-Aug-24	21-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.07%	9.06%	↑ 0.01%
10 yrs: NGERIA 7.875 02/16/32	10.18%	10.18%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.58%	10.60%	↓ -0.02%
30 yrs: NGERIA 9.248 01/21/49	10.62%	10.60%	↑ 0.02%
7.125% ECOTRAN 16/02/26*	8.88%	10.60%	↓ -1.72%

Source: FBN UK Runs for 22 Aug 2024

	NAFEM RATE (\$/N)	Diff.
22-Aug-24	1,586.11	
21-Aug-24	1,543.84	↑ 42.27

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
22-Aug-24	743.55	
21-Aug-24	69.50	↑ 674.05

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)	36.46 (+10.79% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*77.36 (+1.73 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market closed bearish today, with the All-Share Index falling by 0.12% to reach 95,718.05 points. The year-to-date return and market capitalization settled at 28.01% and ₦54.98 trillion, respectively. UNIVINSURE led the volume charts with 68.19 million, while OANDO led the value charts with ₦1.29 billion.

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

## Foreign Exchange

Naira depreciated against the USD by 2.74% to \$/₦1,586.11.

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

## Commodities

Today saw a rise in crude oil prices, which had previously erased most of their yearly gains, due to weakened demand in China and concerns about the U.S. economy. Brent prices increased by 1.72% to reach \$77.36, while WTI prices rose by 1.75% to \$73.19. Meanwhile, gold prices fell by 1.13% to \$2,518.70 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
ACADEMY	2.75	0.25	↑ 10.00%
SFSREIT	122.65	11.15	↑ 10.00%
OANDO	43.50	3.95	↑ 9.99%
RTBRISCOE	2.47	0.22	↑ 9.78%
IMG	24.00	2.00	↑ 9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
TRANSCOHOT	90.00	-10.00	↓ -10.00%
CHAMS	1.95	-0.21	↓ -9.72%
ETERNA	19.90	-2.10	↓ -9.55%
IKEJAHOTEL	7.00	-0.70	↓ -9.09%
THOMASWY	1.54	-0.15	↓ -8.88%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.12%	↓ -1.42%	↓ -2.10%	↑ 28.01%
NSE Banking Index	→ 0.00%	↑ 0.53%	↑ 4.85%	↓ -6.34%
NSE Insurance Index	→ 0.00%	↑ 0.16%	↑ 2.82%	↑ 21.64%
NSE Industrial Goods Index	→ 0.00%	↓ -4.89%	↓ -13.08%	↑ 42.09%
NSE Consumer Goods Index	→ 0.00%	↓ -1.44%	↑ 1.46%	↑ 36.63%
NSE Oil & Gas Index	→ 0.00%	↑ 0.59%	↑ 9.44%	↑ 59.55%

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