

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Tuesday 27 August | 2024

### Money Market

The Open Repo Rate (OPR) increased by 253 bps to 27.50%, and the Overnight Rate (O/N) increased by 85 bps to 26.35% due to tight system liquidity.

**Outlook:** We expect interbank rates to nudge higher tomorrow.

### Treasury Bills

The treasury bill market ended on a bearish note due to tight system liquidity. The Central Bank of Nigeria (CBN) also sold ₦758.00 billion worth of OMO bills, focusing only on the long-dated paper, despite offering a total of ₦500.00 billion across the three tenors. The stop rate for the one-year OMO bills declined by 2bps to 21.87%. Overall, the average mid-rate for the benchmark NTB papers rose by 76 bps to 19.18%.

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

### FGN Bonds

Today, the local FGN bonds market witnessed mixed to bullish sentiments, with persistent interest observed on May 2033 and 2053 papers. Overall, the average mid-yield declined by 7bps to 18.76%.

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

### Eurobonds

The African Eurobonds market posted a mixed-to-bearish session today. Overall, the average mid-yield increased by 4bps to 9.83% from 9.79%.

**Outlook:** We expect the momentum in tomorrow's activities to ease.

Benchmark T-Bills Discount Rates			
	27-Aug-24	26-Aug-24	Change in Rates
86 days	17.70%	17.70%	→ 0.00%
191 days	19.70%	19.25%	↑ 0.45%
317 days	19.43%	19.43%	→ 0.00%

Source: FMDQ DQL for 27 Aug 2024

Benchmark FGN Bond Yields			
	27-Aug-24	26-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	20.05%	20.05%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	18.52%	18.52%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.50%	17.50%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.78%	18.62%	↓ -0.84%

Source: FMDQ DQL for 27 Aug 2024

Benchmark FGN Eurobond Yields			
	27-Aug-24	26-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	9.03%	8.97%	↑ 0.06%
10 yrs: NGERIA 7.875 02/16/32	10.13%	10.08%	↑ 0.05%
15 yrs: NGERIA 7.696 23/02/38	10.46%	10.48%	↓ -0.02%
30 yrs: NGERIA 9.248 01/21/49	10.52%	10.57%	↓ -0.05%
7.125% ECOTRAN 16/02/26*	8.98%	8.88%	↑ 0.10%

Source: FBNH UK Runs for 27 Aug 2024

	NAFEM RATE (\$/N)	Diff.
27-Aug-24	1,594.27	
26-Aug-24	1,596.60	↑ (2.33)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
27-Aug-24	399.26	
26-Aug-24	733.49	↓ (334.23)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.49
AIICO BALANCED FUND	7.05
AIICO EUROBOND FUND*	6.80

As of 26 August 2024

Macro Indicators	
GDP (Q2 2024)	+3.19% (Q1: 2023 +2.98% y/y)
Inflation (July'2024)	33.40% (Jun'24: 34.19% )
External Reserve (US\$'billion)	36.40 (+10.58% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*80.30 (-1.39 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market closed bullish today, with the All-Share Index increasing by 0.49% to reach 96,510.13 points. The year-to-date return and market capitalization settled at 29.07% and ₦55.44 trillion, respectively. VERITASKAP led the volume charts with 83.07 million, while ACCESSCORP led the value charts with ₦1.06 billion.

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

## Foreign Exchange

Naira appreciated against the USD by 0.15% to \$/₦1,594.27.

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

## Commodities

Crude oil prices fell today, following a surge in the previous session triggered by OPEC member Libya's decision to halt production and exports. Brent prices dropped by 1.39% to \$80.30, while WTI prices fell by 1.58% to \$76.18. Gold prices also decreased by 0.07% to \$2,553.40 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
JBERGER	143.00	13.00	↑ 10.00%
JOHNHOLT	3.08	0.28	↑ 10.00%
TOTAL	619.30	56.30	↑ 10.00%
NEIMETH	2.20	0.20	↑ 10.00%
SFSREIT	134.90	12.25	↑ 9.99%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
UPL	2.17	-0.23	↓ -9.58%
CUTIX	3.00	-0.20	↓ -6.25%
VITAFOAM	18.35	-1.00	↓ -5.17%
TRANSCORP	11.20	-0.60	↓ -5.08%
LINKASSURE	0.95	-0.05	↓ -5.00%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.49%	↑ 0.64%	↓ -1.29%	↑ 29.07%
NSE Banking Index	↑ 1.45%	↑ 0.78%	↑ 5.99%	↓ -5.32%
NSE Insurance Index	↑ 1.30%	↑ 4.81%	↑ 7.88%	↑ 27.63%
NSE Industrial Goods Index	↑ 0.04%	↑ 0.06%	↓ -13.09%	↑ 42.08%
NSE Consumer Goods Index	↑ 0.45%	↑ 1.59%	↑ 3.10%	↑ 38.84%
NSE Oil & Gas Index	↑ 4.14%	↑ 8.02%	↑ 18.31%	↑ 72.49%

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