

# Actionable Market Insights, delivered daily.



## MARKET COMMENTARY

DATE: Monday 02 September | 2024

### Money Market

The Open Repo Rate (OPR) increased by 357 bps to 21.68%, and the Overnight Rate (O/N) rose by 224 bps to 22.30%.

**Outlook:** We expect interbank rates to stay at similar levels tomorrow, pending any major flows.

### Treasury Bills

The treasury bills market had a mixed to bearish session today, with the average mid-rate increasing by 2 bps to 18.49%. Yields on most of the longer-term papers trended upwards due to the OMO auction conducted by the CBN. The CBN offered ₦500.00 billion but sold ₦459.60 billion worth of bills. The stop rate for the long-dated paper was 21.80%, a 7-bp decline from the previous stop rate.

**Outlook:** We expect the same sentiment to linger tomorrow, albeit, at a less aggressive pace.

### FGN Bonds

Today, there was a positive trend in the local FGN bonds market, with most of the interest directed towards the 2031 and May 2033 papers. Overall, the average mid-yield dropped by 14 bps to 18.01%.

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

### Eurobonds

The African Eurobonds market posted a bearish bias today, amid the US labour holiday. Overall, the average mid-yield increased by 6bps to 9.67%.

**Outlook:** We expect activity to resume fully tomorrow, with investors' focus skewed to the US ISM Manufacturing data.

Benchmark T-Bills Discount Rates			
	02-Sep-24	30-Aug-24	Change in Rates
94 days	18.92%	18.92%	➡ 0.00%
185 days	19.65%	19.65%	➡ 0.00%
325 days	19.43%	19.43%	➡ 0.00%

Source: FMDQ DQL for 02 Sep 2024

Benchmark FGN Bond Yields			
	02-Sep-24	30-Aug-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.10%	19.41%	⬇ -0.31%
10 yrs: 12.50% 27-Apr-2032	19.56%	18.00%	⬆ 1.56%
20 yrs: 13.00% 21-Jan-2042	17.49%	17.49%	➡ 0.00%
30 yrs: 12.98% 27-Mar-2050	16.99%	16.99%	➡ 0.00%

Source: FMDQ DQL for 02 Sep 2024

Benchmark FGN Eurobond Yields			
	02-Sep-24	30-Aug-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.75%	8.71%	⬆ 0.04%
10 yrs: NGERIA 7.875 02/16/32	9.92%	9.85%	⬆ 0.07%
15 yrs: NGERIA 7.696 23/02/38	10.36%	10.30%	⬆ 0.06%
30 yrs: NGERIA 9.248 01/21/49	10.43%	10.38%	⬆ 0.05%
7.125% ECOTRAN 16/02/26*	9.77%	9.38%	⬆ 0.39%

Source: FBNH UK Runs for 02 Sep 2024

	NAFEM RATE (\$/N)	Diff.
2-Sep-24	1,585.77	
30-Aug-24	1,598.56	⬆ (12.79)

Source: FMDQ

	Sys. Liq. (N'bn)	Diff.
2-Sep-24	579.34	
30-Aug-24	624.28	⬇ (44.94)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.16
AIICO BALANCED FUND	7.90
AIICO EUROBOND FUND	6.97

### As of 30 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)	36.32 (+10.36% YTD)
Monetary Policy Rate	26.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*76.71 (+0.62 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market ended on a positive note today, with the All-Share Index rising by 0.22% to reach 96,793.95 points. The year-to-date return and market capitalization stood at 29.45% and ₦55.60 trillion, respectively. UBA topped the volume charts with 54.85 million, while OANDO led the value charts with ₦3.20 billion.

**Outlook:** *We expect the bullish bias to persist.*

## Foreign Exchange

Naira appreciated against the USD by 0.80% to \$/₦1,585.77.

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

## Commodities

Earlier today, crude oil prices extended their losses due to higher OPEC+ production in October and a sharp drop in output from Libya, along with sluggish demand in China and the U.S. However, the market rebounded towards the close of trading. Brent prices increased by 0.62% to \$76.71, while WTI prices gained 0.94% to reach \$74.24. Gold prices also increased by 0.22% to \$2,533.10 per ounce.

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

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
OANDO	84.55	7.65	↑ 9.95%
IMG	29.00	2.60	↑ 9.85%
ETRANZACT	5.60	0.50	↑ 9.80%
CONOIL	158.00	14.00	↑ 9.72%
UPL	2.51	0.21	↑ 9.13%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
LIVESTOCK	2.25	-0.25	↓ -10.00%
RTBRISCOE	3.20	-0.35	↓ -9.86%
CORNERST	2.44	-0.26	↓ -9.63%
DAARCOMM	0.66	-0.07	↓ -9.59%
WAPIC	0.77	-0.08	↓ -9.41%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.22%	↑ 0.22%	↓ -1.00%	↑ 29.45%
NSE Banking Index	↑ 1.09%	↑ 1.09%	↑ 8.13%	↓ -3.42%
NSE Insurance Index	↓ -2.20%	↓ -2.20%	↑ 9.01%	↑ 28.96%
NSE Industrial Goods Index	↑ 0.05%	↑ 0.05%	↓ -13.02%	↑ 42.19%
NSE Consumer Goods Index	↓ -0.35%	↓ -0.35%	↑ 3.94%	↑ 39.97%
NSE Oil & Gas Index	↑ 1.74%	↑ 1.74%	↑ 24.52%	↑ 81.53%

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