

Actionable Market Insights, delivered daily.

AIICO CAPITAL

MARKET COMMENTARY

DATE: Tuesday 03 September | 2024

Money Market

The Open Repo Rate (OPR) increased by 129 bps to 22.97%, and the Overnight Rate (O/N) rose by 123 bps to 23.53%.

Outlook: We expect interbank rates to remain elevated tomorrow, in the absence of any major flows.

Treasury Bills

The treasury bills market trended bullish today, suggesting market expectation for a drop in stop rates at tomorrow's primary market auction. Consequently, average mid-rate declined by 41bps to 18.08%.

Outlook: We expect the outcome of the treasury bills auction and tomorrow's liquidity to impact the market. The DMO would be offering T-bills worth N233.31 billion tomorrow.

FGN Bonds

The local FGN bonds market had a bullish posture, with average mid-yield falling by 5bps to 17.96%.

Outlook: We expect a similar trajectory tomorrow.

Eurobonds

The African Eurobonds market ended the session bearish as the US ISM manufacturing data increased to 47.20%, higher than July's 46.80% but less than the estimated 47.90%. Overall, the average mid-yield increased by 19 bps to 9.86%.

Outlook: We expect any surprises from Fed Beige Book and Job openings to impact the market tomorrow.

AUCTION DATE	TENOR	OFFER AMOUNT (₦)	LAST STOP RATE	EXPECTED STOP RATE RANGE
4 Sep 24	91-Day	19,605,970.00	18.20%	17.5000 – 18.0000
4 Sep 24	182-Day	10,554,288.00	19.20%	18.1500 – 18.6000
4 Sep 24	364-Day	203,153,245.00	20.90%	18.9000 – 19.2000

Benchmark T-Bills Discount Rates			
	03-Sep-24	02-Sep-24	Change in Rates
93 days	18.92%	18.92%	→ 0.00%
184 days	19.65%	19.65%	→ 0.00%
324 days	19.43%	19.43%	→ 0.00%

Source: FMDQ DQL for 03 Sep 2024

Benchmark FGN Bond Yields			
	03-Sep-24	02-Sep-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.10%	19.10%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	19.56%	19.56%	→ 0.00%
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 03 Sep 2024

Benchmark FGN Eurobond Yields			
	03-Sep-24	02-Sep-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.99%	8.75%	↑ 0.24%
10 yrs: NGERIA 7.875 02/16/32	10.13%	9.92%	↑ 0.21%
15 yrs: NGERIA 7.696 23/02/38	10.59%	10.36%	↑ 0.23%
30 yrs: NGERIA 9.248 01/21/49	10.57%	10.43%	↑ 0.14%
7.125% ECOTRAN 16/02/26*	9.77%	9.77%	→ 0.00%

Source: FBNH UK Runs for 03 Sep 2024

	NAFEM RATE (\$/₦)	Diff.
3-Sep-24	1,611.34	
2-Sep-24	1,585.77	↑ 25.57

Source: FMDQ

	Sys. Liq. (₦'bn)	Diff.
3-Sep-24	-206.29	
2-Sep-24	579.34	↓ (785.63)

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	*74.09 (-4.42 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market closed on a positive note today, with the All-Share Index increasing by 0.08% to reach 96,873.74 points. The year-to-date return and market capitalization were at 29.56% and ₦55.65 trillion, respectively. ACCESSCORP had the highest trading volume with 106.28 million, while OANDO led in terms of trade value with ₦4.32 billion.

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

Foreign Exchange

Naira depreciated against the USD by 1.61% to \$/₦1,611.34.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil prices dropped today, wiping out all gains for the year due to a potential increase in supplies and a decrease in demand. Brent prices decreased by 4.42% to \$74.09, while WTI prices fell by 3.89% to \$70.69. Additionally, gold prices also saw a decline of 0.41%, reaching \$2,517.30 per ounce.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
CILEASING	4.07	0.37	↑ 10.00%
GUINEAINS	0.55	0.05	↑ 10.00%
IMG	31.90	2.90	↑ 10.00%
ETERNA	32.20	2.90	↑ 9.90%
ETRANZACT	6.15	0.55	↑ 9.82%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
RTBRISCOE	2.88	-0.32	↓ -10.00%
ABBEBDS	2.53	-0.28	↓ -9.96%
NSLTECH	0.65	-0.07	↓ -9.72%
MCNICHOLS	1.40	-0.15	↓ -9.68%
TANTALIZER	0.59	-0.06	↓ -9.23%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.08%	↑ 0.38%	↑ 0.30%	↑ 29.56%
NSE Banking Index	↓ -0.06%	↑ 1.95%	↑ 1.03%	↓ -3.47%
NSE Insurance Index	↓ -0.35%	↑ 0.70%	↓ -2.54%	↑ 28.52%
NSE Industrial Goods Index	↓ -0.02%	↑ 0.06%	↑ 0.03%	↑ 42.16%
NSE Consumer Goods Index	↓ -0.30%	↑ 0.50%	↓ -0.65%	↑ 39.54%
NSE Oil & Gas Index	↑ 0.59%	↑ 5.86%	↑ 2.34%	↑ 82.60%

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