

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Tuesday 10 September | 2024

Money Market

The Open Repo Rate (OPR) increased by 52 bps to 31.10%, and the Overnight Rate (O/N) rose by 48 bps to 31.53%.

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

Treasury Bills

The activity in the Treasury bills market was mixed. Rates at the longer end of the curve increased ahead of tomorrow's auction, while there was little buying interest at the middle of the curve. The average mid-rate decreased by 13 bps points to 18.79%.

Outlook: We anticipate a quiet session tomorrow as attention shifts to the NTB auction, where the DMO will offer T-bills worth approximately ₦161.88 billion.

FGN Bonds

The local FGN bonds market experienced a shift from bullish to bearish sentiment, as selling interest was observed across the curve, especially for the 2031s and May 2033 papers, which were trading above the 20% level. As a result, the average mid-yield rose by 23% to settle at 18.22%.

Outlook: We expect a similar trajectory tomorrow.

Eurobonds

The Eurobonds Market continued to experience pessimistic trends in anticipation of the upcoming release of US CPI data. This data is expected to reinforce expectations of a possible 50bps rate cut. Most of the selling interests were in Nigeria and Angola. Consequently, the average benchmark yield increased by 8bps to 9.86%.

Outlook: The market's focus will tilt to the US CPI data tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	10-Sep-24	09-Sep-24	Change in Rates
86 DAYS	17.30%	17.30%	➔ 0.00%
177 DAYS	18.21%	18.21%	➔ 0.00%
359 DAYS	18.30%	18.30%	➔ 0.00%

Source: FMDQ DQL for 10-Sep-2024

BENCHMARK FGN BOND YIELDS			
	10-Sep-24	09-Sep-24	Change in Yield
5 YRS: 16.2884% 17-MAR-2027	19.12%	19.12%	➔ 0.00%
10 YRS: 12.50% 27-APR-2032	18.02%	18.02%	➔ 0.00%
20 YRS: 13.00% 21-JAN-2042	17.49%	17.49%	➔ 0.00%
30 YRS: 12.98% 27-MAR-2050	16.80%	16.80%	➔ 0.00%

Source: FMDQ DQL for 10-Sep-2024

BENCHMARK FGN EUROBOND YIELDS			
	10-Sep-24	09-Sep-24	Change in Yield
5 YRS: NGERIA 6 1/2 11/28/27	9.15%	9.00%	⬆️ 0.15%
10 YRS: NGERIA 7.875 02/16/32	10.22%	10.22%	➔ 0.00%
15 YRS: NGERIA 7.696 23/02/38	10.57%	10.59%	⬇️ -0.02%
30 YRS: NGERIA 9.248 01/21/49	10.60%	10.57%	⬆️ 0.03%
7.125% ECOTRAN 16/02/26*	10.09%	10.09%	➔ 0.00%

Source: FBN UK Runs for 10-Sep-2024

	NAFEM RATE (\$/N)	Diff.
10-Sep-24	1,637.59	
9-Sep-24	1,580.46	⬆️ 57.13

Source: FMDQ

	SYS. LIQ. (₦BN)	Diff.
10-Sep-24	(251.49)	
9-Sep-24	(173.61)	⬇️ (77.87)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.65
AIICO BALANCED FUND	7.76
AIICO EUROBOND FUND	6.33

As of 9th September 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)	36.34 (+10.41% YTD)
MONETARY POLICY RATE	26.75%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*69.44 (-2.39 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

Today, the Nigerian stock market experienced a bullish session, as the NGX-ASI rose by 0.62% to 96,802.80 points. This resulted in a ₦343.03 billion increase in investor capital, reaching a total capitalization of ₦55.62 trillion. Notable drivers of the market's performance were MTNN, OANDO, and ETERNA, contributing to a year-to-date ASI return of 29.46%. Transaction levels saw a decrease, with traded volume dropping by 48.28% while value rose by 22.05%. Sector performance was varied, with the Banking Index, Insurance, and Consumer Goods Indices facing losses, and the Industrial Goods and Oil and Gas Indices experiencing gains. Market breadth declined to 1.63x from 1.70x.

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

Foreign Exchange

Naira depreciated against the USD by 3.61% to \$/₦1,637.59.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil futures hit their lowest levels since December 2021 after OPEC revised its demand forecast lower. Brent prices dropped 3.05% to \$69.44, while WTI prices fell 3.49% to \$66.31. Gold prices remained above \$2,500 as market participants awaited U.S. inflation data for insights on potential interest rate cuts by the Federal Reserve.

Outlook: *We expect the volatility to persist.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
RTBRISCOE	3.10	0.28	↑ 9.93%
CAVERTON	1.91	0.17	↑ 9.77%
MCNICHOLS	1.47	0.12	↑ 8.89%
CUSTODIAN	13.50	1.10	↑ 8.87%
OMATEK	0.74	0.06	↑ 8.82%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
LEARNAFRCA	3.73	-0.40	↓ -9.69%
TIP	1.79	-0.13	↓ -6.77%
JAPAULGOLD	2.52	-0.18	↓ -6.67%
AIICO	1.09	-0.05	↓ -4.39%
NEIMETH	2.01	-0.09	↓ -4.29%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGXASI	↑ 0.62%	↓ -0.07%	↑ 0.23%	↑ 29.46%
NSE BANKING INDEX	↓ -0.66%	↓ -1.64%	↓ -0.63%	↓ -5.06%
NSE INSURANCE INDEX	↓ -2.83%	↓ -2.38%	↓ -4.85%	↑ 25.47%
NSE INDUSTRIAL GOODS INDEX	↑ 0.05%	↓ -0.19%	↓ -0.16%	↑ 41.89%
NSE CONSUMER GOODS INDEX	↑ 0.25%	↓ -0.70%	↓ -1.35%	↑ 38.56%
NSE OIL & GAS INDEX	↓ -1.12%	↓ -0.79%	↑ 1.54%	↑ 81.16%

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