

Actionable Market Insights, delivered daily.



MARKET COMMENTARY

DATE: Thursday 19 September | 2024

Money Market

System liquidity deteriorated today as more DMBs increased exposure to the SLF window. As a result, the Open Repo Rate (OPR) increased by 17 bps to 31.45%, and the Overnight Rate (O/N) rose by 27 bps to 31.83%.

Outlook: We expect the interbank rates to remain at a similar level.

Treasury Bills

The treasury bills market had a mixed session, with sideways movement across select papers. The average mid-rate across the benchmark NTB papers decreased by 3 bps to 19.43%.

Outlook: We expect the mixed sentiment to persist tomorrow.

FGN Bonds

The local FGN bond market experienced a mixed session with early buying interest in the May 2033 bond decreasing by midday. Subsequently, sellers began improving their offers, leading to a slight increase in the average mid-yield, settling at 18.29%.

Outlook: We expect a similar play in the interim.

Eurobonds

The African Eurobonds had a positive session after yesterday's rate cut. There was strong demand for Nigeria, Angola, and Egypt papers. However, by the close of the market, the buying slowed down. On average, the mid-yield across the Nigerian curve decreased by 15 bps to 9.51%.

Outlook: We anticipate a similar play at tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES

	19-Sep-24	18-Sep-24	Change in Rates
84 DAYS	16.42%	16.42%	→ 0.00%
175 DAYS	19.45%	19.45%	→ 0.00%
350 DAYS	18.40%	18.40%	→ 0.00%

Source: FMDQ DQL for 19-Sep-2024

BENCHMARK FGN BOND YIELDS

	19-Sep-24	18-Sep-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	18.15%	19.60%	↓ -1.45%
10 YRS: 19.00% 21-FEB-2034	19.60%	19.60%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	17.15%	17.15%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.60%	16.60%	→ 0.00%

Source: FMDQ DQL for 19-Sep-2024

BENCHMARK FGN EUROBOND YIELDS

	19-Sep-24	18-Sep-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.06%	9.17%	↓ -0.11%
10 YRS: NGERIA 7.375% 09/29/3:	9.84%	10.07%	↓ -0.23%
15 YRS: NGERIA 7.696% 23/02/3:	10.18%	10.30%	↓ -0.12%
30 YRS: NGERIA 8.25% 09/29/51	10.46%	10.56%	↓ -0.10%
8.75% ETI 06/17/31*	8.18%	8.03%	↑ 0.15%

Source: FBN UK Runs for 19-Sep-2024

NAFEM RATE (\$/N)

		Diff.
19-Sep-24	1,544.02	
18-Sep-24	1,539.65	↑ 4.37

Source: FMDQ

SYS. LIQ. (N'BN)

		Diff.
19-Sep-24	(420.25)	
18-Sep-24	(220.48)	↓ (199.77)

Source: CBN

NAME OF FUND

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.24
AIICO BALANCED FUND	8.74
AIICO EUROBOND FUND	6.97

As of 17th September 2024

MACRO INDICATORS

GDP (Q2 2024)	+3.19% (Q1: 2023 +2.98% y/y)
INFLATION (AUGUST'2024)	32.15% (Jul'24: 33.40%)
EXTERNAL RESERVE (US\$'BILLION)	37.24 (+13.16% YTD)
MONETARY POLICY RATE	26.75%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*74.92 (+1.18 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The local stock market closed negatively today, as the NGX-ASI dropped by 0.23% to 98,003.75 points. This decline was attributed to decreased share prices of FBNH, OANDO, WAPCO, DANGSUGAR, and GTCO. Despite this, trading activity improved, with 473.09 million shares valued at ₦11.36 billion traded. All major sectors experienced losses, with the Banking sector recording the steepest decline at 0.62%.

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

Foreign Exchange

The Naira depreciated against the USD at the NAFEM window today, losing 0.28% to close at \$/₦1544.02.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices increased today following a larger-than-expected interest rate cut by the Federal Reserve. Thus, as of the latest report, the Brent price is up by 1.72% to \$74.92, and the WTI price increased by 1.16% to \$72.09. Additionally, Gold prices surged over 1%, as the U.S. Federal Reserve initiated its rate easing cycle. Currently, the price of gold is approximately \$2,608.90 per ounce.

Outlook: *We expect the positive sentiment to persist.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ABCTRANS	0.99	0.09	↑ 10.00%
MCNICHOLS	1.65	0.15	↑ 10.00%
UPL	2.43	0.22	↑ 9.95%
FIDSON	14.50	1.30	↑ 9.85%
CAVERTON	3.36	0.30	↑ 9.80%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
HONYFLOUR	4.87	-0.54	↓ -9.98%
FBNH	30.55	-3.35	↓ -9.88%
UPDC	1.76	-0.19	↓ -9.74%
NSLTECH	0.62	-0.06	↓ -8.82%
TANTALIZER	0.62	-0.06	↓ -8.82%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.23%	↑ 1.01%	↑ 1.47%	↑ 31.07%
NSE BANKING INDEX	↓ -0.62%	↑ 4.66%	↑ 6.99%	↑ 2.22%
NSE INSURANCE INDEX	↓ -0.57%	↓ -0.11%	↓ -4.39%	↑ 26.08%
NSE INDUSTRIAL GOODS INDEX	↓ -0.06%	↑ 0.05%	↓ -0.14%	↑ 41.92%
NSE CONSUMER GOODS INDEX	↓ -0.26%	↑ 0.85%	↓ -0.12%	↑ 40.30%
NSE OIL & GAS INDEX	↓ -0.13%	↓ -0.64%	↑ 3.15%	↑ 84.04%

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