

Daily Financial Market Update

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FIXED INCOME MARKET

Money Markets

Interbank system liquidity opened higher today with a balance of ca ₦135.87billion (buoyed by OMO maturity of ₦60billion), representing a ₦ 60.63 billion increase from yesterday's opening balance. Thus, the Overnight Policy Rate (OPR) and Overnight (ON) rate declined to 9.67% and 10.33% respectively, from 12.83% and 13.67% recorded at yesterday's session.

Treasury Bills

The NTB secondary market witnessed demand on 8 Aug CBN SPEB and 25 May 2023 paper at 3.50% and 6.30% respectively, while offers were seen at 3.30% and 5.75%. Overall, the average rate declined slightly by c.3bps, closing at 3.78%, as the wide bid/ask spreads ensured very few trades were consummated.

Bonds

The FGN Bonds secondary market sustained its bullish theme, with interest skewed towards the short-term maturities (2025s to 2029s), 2036s, 2042s and 2050s. Consequently, the average yield dipped by ca.8bps across the curve, to settle at 11.65%.

Eurobonds

Following yesterday's hawkish comments by the Fed Governor, Christopher Waller, showing a strong support for further policy tightening by hiking 50bps in subsequent meetings, the Eurobond market traded with a bearish bias in today's session. In addition, subtle global growth fears that have weighed on investors' minds alongside May'22 Euro area inflation printing at 8.10% (vs 7.40% in April 2022), all drove the bearish theme. Nigeria, Ghana and Angola all retraced the bullish theme experienced in the past few days, as offshore investors de-risk their exposures in the SSA market. Overall, the average mid-yield settled at 9.77%.

Macroeconomic Indicators

Indicators	
Inflation % (April 2022)	16.82 (+7.61 ytd)
PMI (December 2020)	49.60
MPR (%)	11.5 (-7%/+1% around mid-point)
CRR (%)	27.5
Brent Crude Price US\$/bbl	122.76 (+1.93% d/d)
External Reserve (US\$'billion)	38.54 (-4.89% ytd)
GDP % (Q1 2022)	+3.11% (Q4 2021: +3.98% y/y)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	31-May-22	30-May-22	Change in Rates
72 days	2.97%	2.97%	→ 0.00%
163 days	3.55%	3.55%	→ 0.00%
345 days	4.70%	4.70%	→ 0.00%

Source: FMDQ DQL for 31 May 2022

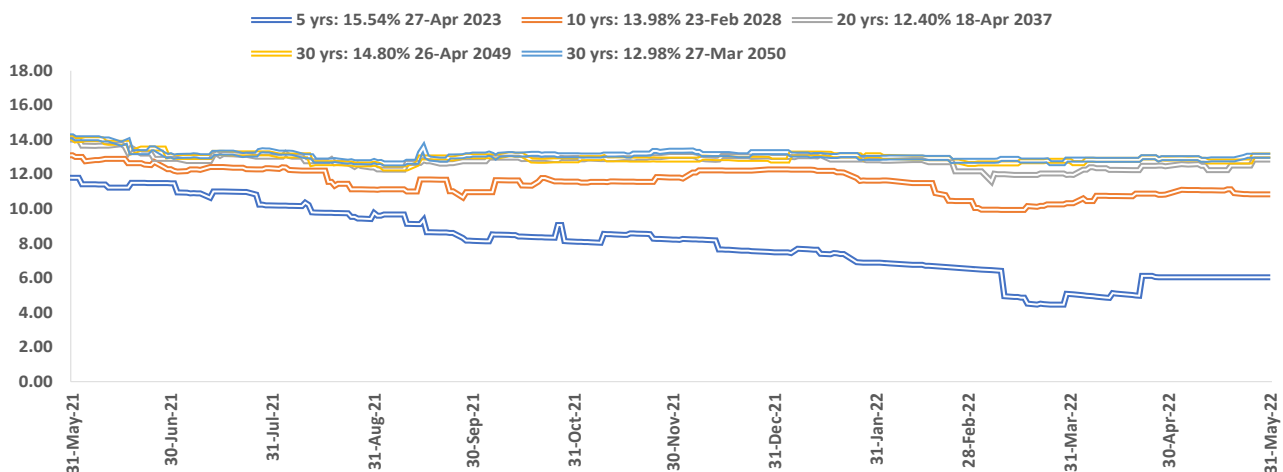
Benchmark FGN Bond Yields			
	31-May-22	30-May-22	Change in Yield
10 yrs: 13.98% 23-Feb-2028	11.05%	11.05%	→ 0.00%
20 yrs: 16.25% 18-Apr-2037	12.85%	12.85%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	13.15%	13.20%	↓ -0.05%
30 yrs: 14.80% 26-Apr-2049	13.05%	13.05%	↑ 0.00%
30 yrs: 12.98% 27-Mar-2050	13.07%	13.07%	→ 0.00%

Source: FMDQ DQL for 31 May 2022

Benchmark FGN Eurobond Yields			
	31-May-22	30-May-22	Change in Yield
3 yrs: NGERIA 6 3/4 01/28/21	15.65%	14.29%	↑ 1.36%
5 yrs: NGERIA 6 3/8 07/12/23	6.50%	6.25%	↑ 0.25%
10 yrs: NGERIA 6 1/2 11/28/27	9.24%	9.81%	↓ -0.57%
15 yrs: NGERIA 7.875 02/16/32	11.05%	10.92%	↑ 0.13%
30 yrs: NGERIA 9.248 01/21/49	11.48%	11.37%	↑ 0.11%
7.125% ECOTRAN 16/02/26	9.66%	9.65%	↑ 0.01%

Source: FMDQ DQL for 31 May 2022

Benchmark Bond Yields



Equities

The domestic bourse sustained its negative performance as the benchmark index slid 0.25% day-on-day to close at 53,637.14pts following sell pressure on NB (-9.96%), and Zenith Bank Plc (-1.68%); thus YTD return trimmed to 24.05%. The persistent bearish trend is closely tied to sustained rounds of profit taking following significant gains recorded in prior months.

The NGX Oil & Gas Index gained 0.05% while the NGX Consumer Goods, Industrial, and Banking Indices lost ca 1.78%, 0.16%, and 0.15% day-on-day, respectively. Transcorp Corporation of Nigeria led the volume chart with ca 86.74 million units while MTN Nigeria Communications PLC topped the value charts with ca ₦ 1.64billion worth of trades.

AIICO Money Market Fund (AMMF)

Net Yield (As at current date)	8.26%
Added Benefit	Personal accident insurance cover

	D-o-D	W-o-W	MTD	YTD
NGSEINDEX Index	↓ -0.25%	↑ 1.37%	↑ 8.05%	↑ 25.57%
NSE Banking Index	↓ -0.15%	↓ -0.87%	↓ -2.10%	↑ 4.84%
NSE Insurance Index	↓ -0.13%	↓ -2.48%	↓ -6.13%	↓ -8.53%
NSE Industrial Goods Index	↓ -0.16%	↓ -0.25%	↑ 3.99%	↑ 13.15%
NSE Consumer Goods Index	↓ -1.78%	↓ -5.80%	↑ 5.44%	↑ 10.60%
NSE Oil & Gas Index	↑ 0.05%	↓ -0.70%	↑ 5.29%	↑ 60.03%

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
TRANSCO HOT	6.25	0.40	↑ 6.84%
CHAMPION	3.95	0.19	↑ 5.05%
CWG	1.04	0.05	↑ 5.05%
ETI	12.50	0.60	↑ 5.04%
LASACO	1.09	0.05	↑ 4.81%

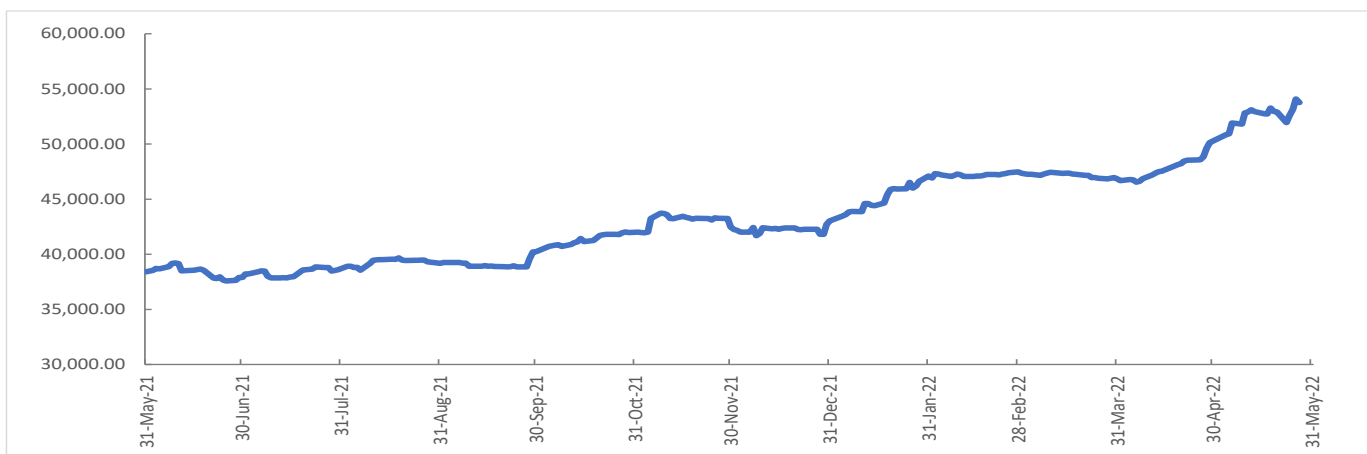
Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
NB	62.40	-6.90	↓ -9.96%
NNFM	10.55	-1.15	↓ -9.83%
JAPAU LGOLD	0.30	-0.03	↓ -9.09%
PRESTIGE	0.40	-0.03	↓ -6.98%
MULTIVERSE	0.20	-0.01	↓ -4.76%

Source: NGX, AIICO Capital

NSE All Share Index



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