

Daily Financial Market Update



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FIXED INCOME MARKET

Opening system liquidity was estimated to be over ₦600 billion long, buoyed by retail FX refunds and FGN bond coupon payment. However, because of the retail FX SMIS that was conducted today by the CBN, the Overnight Policy Rate (OPR) and Overnight Rate (O/N) increased to 13.25% and 13.80% respectively compared to 10.63% and 11.01% recorded yesterday. **We expect the interbank rates to trend slightly lower at the start of next week but inch up by mid-week due to the settlement of the FGN bond auction**

Treasury Bills

The bears dominated the treasury bills market at the early hours of trading, as sell interests were seen across the mid-to-long end of the curve, particularly the May 2023 and March 2024 papers. Although, buyers cherry-picked some papers as the market headed for a close. As a result, average yield declined by 11bps to 5.26%. **We expect the outcome out the MPC meeting next week to dictate the direction of market sentiment next week .**

Bonds

The local bonds market was relatively quite today, with few cares for the 2026 paper, as market players anticipate next week Monday's FGN bond auction where ₦360bn (₦90bn each) will be offered across the 2028, 2032, 2037 and 2049 maturities. Overall, the average yield remained unchanged at 13.71%. We expect the result of the FGN bond auction, as well as the rate decision by the MPC to drive next week's trading sessions.

Eurobonds.

After the sustained sell pressure over the week that spilled into the early hours of trading,, we saw some relief rally towards the closing bell in today's market, as interested buyers looked to take advantage of attractive yield across board. Consequently, the average yield shed 31bps to 13.40%. **We expect the next week's U.S FOMC meeting to be at the spotlight amongst other catalysts**

Benchmark Bond Yields

| Macro Indicators | |
|---------------------------------|------------------------------|
| GDP (Q4 2022) | +3.52% (Q3 2022: +2.25% y/y) |
| Inflation | 21.91% (Jan'23: 21.82%) |
| External Reserve (US\$'billion) | 36.89 (1.94% YTD) |
| Monetary Policy Rate | 17.50% |
| Cash Reserve Requirement (CRR) | 32.50% |
| Brent Crude Price US\$/bbl | *73.39(-1.75% d/d) |

Source: NBS,CBN, AIICO Capital

| Benchmark T-Bills Discount Rates | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 17-Mar-23 | 16-Mar-23 | Change in Rates |
| 55 days | 2.50% | 2.50% | → 0.00% |
| 83 days | 3.09% | 1.78% | ↑ 1.31% |
| 328 days | 7.50% | 3.66% | ↑ 3.84% |

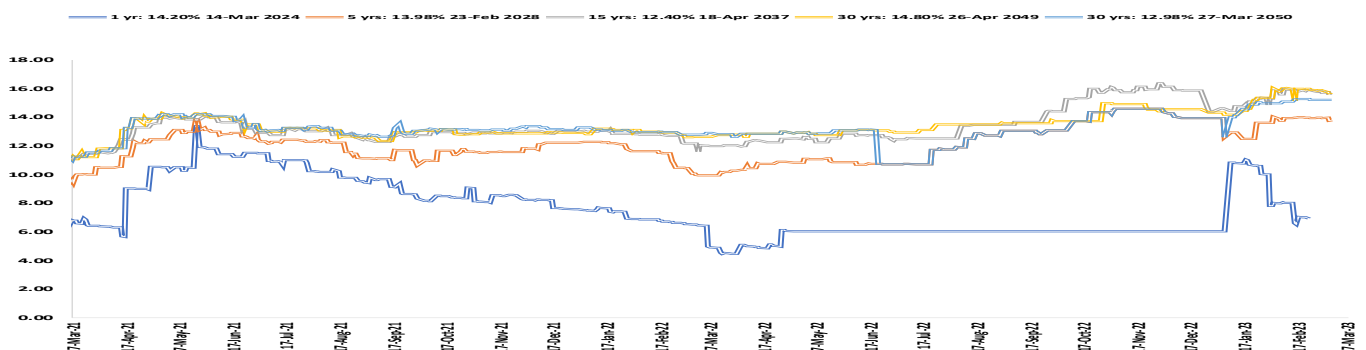
Source: FMDQ DQL for 17 March 2023

| Benchmark FGN Bond Yields | | | |
|-----------------------------|-----------|-----------|-----------------|
| | 17-Mar-23 | 16-Mar-23 | Change in Yield |
| 5 yrs: 16.2884% 17-Mar-2027 | 12.45% | 12.58% | ↓ -0.13% |
| 10 yrs: 12.50% 27-Apr-2032 | 13.93% | 13.93% | → 0.00% |
| 20 yrs: 13.00% 21-Jan-2042 | 14.71% | 14.71% | → 0.00% |
| 30 yrs: 12.98% 27-Mar-2050 | 15.00% | 15.00% | → 0.00% |

Source: FMDQ DQL for 17 March 2023

| Benchmark FGN Eurobond Yields | | | |
|-------------------------------|-----------|-----------|-----------------|
| | 17-Mar-23 | 16-Mar-23 | Change in Yield |
| 1 yr: NGERIA 6 3/8 07/12/23 | 7.53% | 7.52% | ↑ 0.01% |
| 5 yrs: NGERIA 6 1/2 11/28/27 | 13.24% | 13.06% | ↑ 0.18% |
| 10 yrs: NGERIA 7.875 02/16/32 | 13.65% | 13.55% | ↑ 0.10% |
| 15 yrs: NGERIA 7.696 23/02/38 | 13.69% | 13.62% | ↑ 0.07% |
| 30 yrs: NGERIA 9.248 01/21/49 | 13.51% | 13.41% | ↑ 0.10% |
| 7.125% ECOTRAN 16/02/26 | 12.26% | 12.26% | → 0.00% |

Source: FBN UK Runs for 17 March 2023



Aim higher. Reach further ▶



Equities

The Nigerian bourse closed on a flat note today, while year-to-date return closed at c.7.15%.

Selling interest in GTCO (-0.1%), and ACCESSCORP (-0.2%) led to the flat note that was recorded in the market today.

The NGX Industrial Goods, Banking, and Industrial Index, all appreciated in value by c. 0.18%, and c. 0.02%, respectively, however, the NGX Consumer Goods Index depreciated in value by c. -0.25%. While the NGX Oil and Gas Index closed flat.

CAPHOTEL led the volume charts at c. 36.43 million units, while ZENITHBANK led the values chart at c. ₦ 232.64 million.

We expect the outcome of the MPC meeting next week to dictate the direction of market sentiment.

| AIICO Money Market Fund (AMMF) | | |
|--------------------------------|-----------------------------------|----------|
| Net Yield | (As at 15th Mar 2023) | 12.5604% |
| Added Benefit | Personal accident insurance cover | |

| | | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|----------|
| NGX ASI | ↓ 0.00% | ↓ -1.58% | ↓ -1.60% | ↑ 7.15% |
| NSE Banking Index | ↑ 0.18% | ↓ -4.59% | ↓ -7.25% | ↑ 3.69% |
| NSE Insurance Index | → 0.00% | ↓ -2.52% | ↓ -2.26% | ↑ 0.65% |
| NSE Industrial Goods Index | ↑ 0.02% | ↓ -0.27% | ↑ 1.36% | ↑ 6.19% |
| NSE Consumer Goods Index | ↓ -0.25% | ↑ 1.11% | ↑ 4.16% | ↑ 19.09% |
| NSE Oil & Gas Index | → 0.00% | → 0.00% | ↓ -7.79% | ↑ 12.73% |

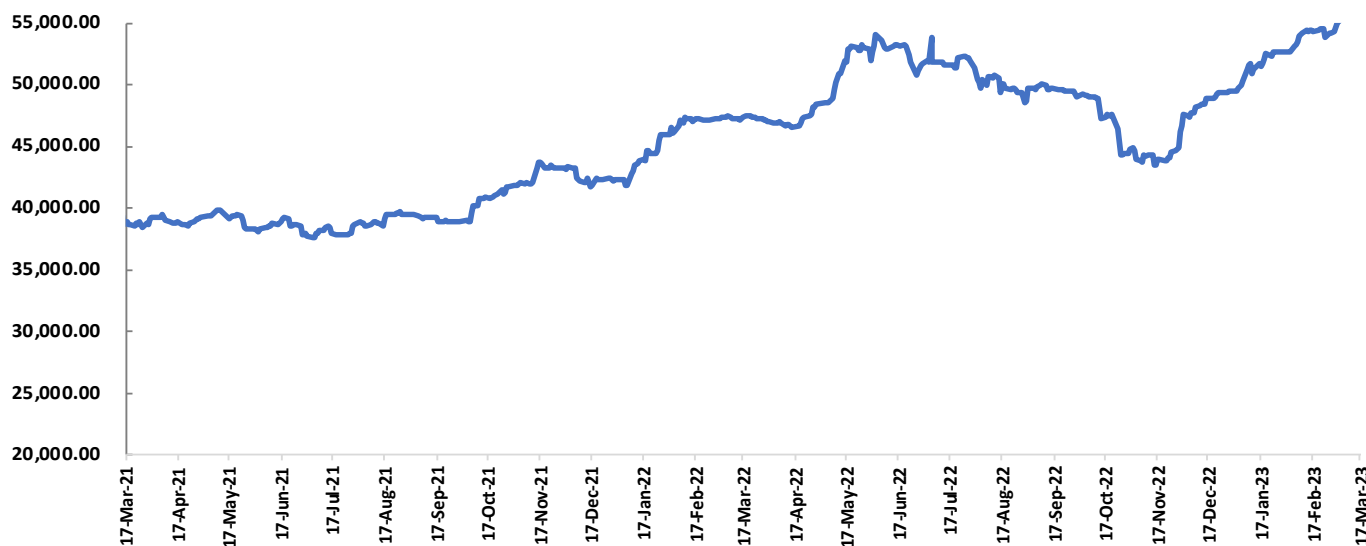
| Top 5 Equity Advancers | | | | |
|------------------------|---------------|---------|---|----------|
| Name (Symbol) | Closing Price | Gain(N) | | % Change |
| UCAP | 12.20 | 1.10 | ↑ | 9.91% |
| PRESTIGE | 0.45 | 0.04 | ↑ | 9.76% |
| ROYALEX | 0.72 | 0.05 | ↑ | 7.46% |
| LIVESTOCK | 1.09 | 0.07 | ↑ | 6.68% |
| RTBRISCOE | 0.25 | 0.01 | ↑ | 4.17% |

Source: NGX, AIICO Capital

| Top 5 Equity Decliners | | | | |
|------------------------|---------------|---------|---|----------|
| Name (Symbol) | Closing Price | Loss(N) | | % Change |
| MULTIVERSE | 3.45 | -0.38 | ↓ | -10.00% |
| VERITASKAP | 0.20 | -0.01 | ↓ | -9.32% |
| CHAMS | 0.24 | -0.01 | ↓ | -8.22% |
| ACCESSCORP | 8.40 | -0.20 | ↓ | -7.69% |
| STERLNBANK | 1.51 | -0.03 | ↓ | -6.92% |

Source: NGX, AIICO Capital

NSE All Share Index



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