

Daily Financial Market Update



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MARKET COMMENTARY

Money Market

Opening System liquidity increased to c.₦343.84 billion long, compared with the opening balance of ₦297.75 billion recorded yesterday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) remained unchanged at 11.00% and 11.38% respectively. **We expect the interbank rates to trade at similar levels next week.**

Treasury Bills

Activity in the NTB space was quiet to close the week, as investors stayed on the sidelines ahead of the NTB auction scheduled for next week. However, few trades were consummated on 7 Mar 2024, 11 Apr 2024, and 25 Apr 2024 at c.9.30% levels. Overall, the average mid-rate closed marginally lower by c.1bp to settle at 6.99%. **We expect the interest to be skewed to the NTB auction scheduled for next week.**

FGN Bonds

The bearish sentiment intensified today, especially across the 2026, 2037, 2049 and 2050 papers. Yields surged on the latter to 15.85% as market participants stacked up bets on higher marginal yields at the FGN bond auction expected to take place a fortnight from now. Thus, the average mid-yield closed c.23bps higher to settle at c.14.20%. **We anticipate this trend to persist next week, barring any significant change.**

Eurobonds

The market experienced a mixed theme to close the week, amid Non-farm payroll and unemployment data release today (Non-farm payroll printed at 253,000 vs Est. 185,000. The unemployment rate also printed at 3.4% vs 3.6% surveyed). Few buyside interest were however seen across long end Nigerian papers.

In other news, Kenyan Eurobonds witnessed price appreciation after IMF's support. **We expect a mixed theme next week**

Macro Indicators	
GDP (Q4 2022)	+3.52% (Q3 2022: +2.25% y/y)
Inflation	22.04% (Feb'23: 21.91%)
External Reserve (US\$'billion)	35.25 (-4.94% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*73.65(-2.22% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	05-May-23	04-May-23	Change in Rates
34 days	5.50%	5.53%	↓ -0.03%
132 days	5.40%	5.40%	↔ 0.00%
307 days	9.56%	9.56%	↔ 0.00%

Source: FMDQ DQL for 05 May 2023

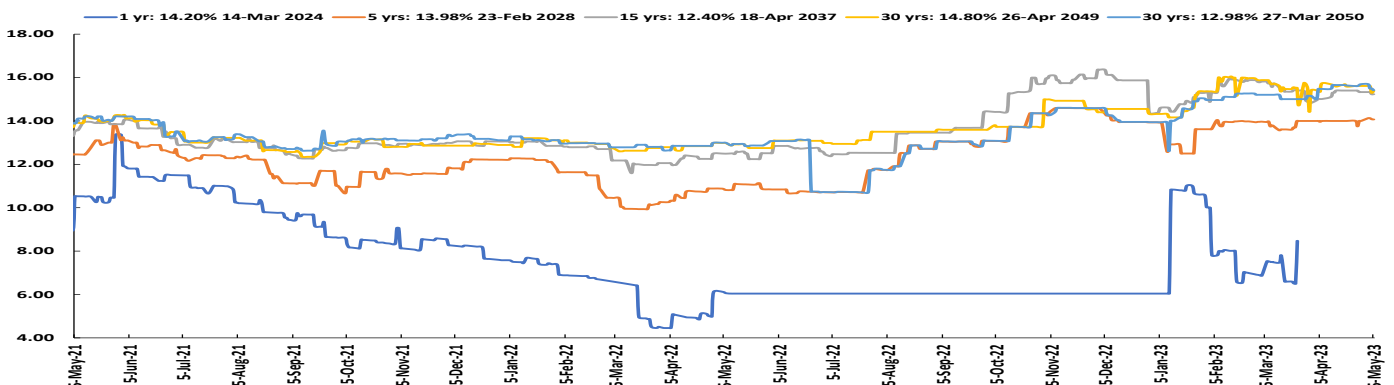
Benchmark FGN Bond Yields			
	05-May-23	04-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.84%	12.84%	↔ 0.00%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.73%	↑ 0.17%
20 yrs: 13.00% 21-Jan-2042	15.36%	15.36%	↔ 0.00%
30 yrs: 12.98% 27-Mar-2050	15.84%	15.70%	↑ 0.14%

Source: FMDQ DQL for 05 May 2023

Benchmark FGN Eurobond Yields			
	05-May-23	04-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.25%	6.25%	↔ 0.00%
5 yrs: NGERIA 6 1/2 11/28/27	12.29%	12.16%	↑ 0.13%
10 yrs: NGERIA 7.875 02/16/32	12.79%	12.67%	↑ 0.12%
15 yrs: NGERIA 7.696 23/02/38	12.95%	12.82%	↑ 0.13%
30 yrs: NGERIA 9.248 01/21/49	12.95%	12.98%	↓ -0.03%
7.125% ECOTRAN 16/02/26	13.81%	13.68%	↑ 0.13%

Source: FBN UK Runs for 05 May 2023

Benchmark Bond Yields



Nigerian Equities

The Nigerian equity market closed on a positive note today, as the Nigerian Stock Exchange All Share Index (NGX ASI) appreciated by c. 0.34% to close at 52,466.52, while year-to-date return improved to c 2.37%. Buying interest in ZENITHBANK (0.05%) and GTCO (0.05%) drove the upward trend in today's session.

The NGX Banking, Industrial Goods, Consumer Goods and Oil & Gas Indices all appreciated in value today by 1.37%, 0.09%, 0.49% and 2.39%, respectively.

ACCESSCORP led both the volume and value charts with c. 168.78 million units and c. ₦ 1.85 billion, respective

We expect the bullish bias to linger next week

Foreign Exchange

The FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate appreciated to ₦462.23/US\$1.00 from ₦462.88/US\$1.00 recorded last week Friday.

We expect the NAFEX rate to continue to revolve around \$/₦462 - 463 levels.

Commodities

Although oil prices increased slightly in Friday's morning Asian trade, they were still expected to decline for a third consecutive week after markets saw sharp declines due to concerns over a slowing Chinese economy and the U.S. economy. Brent oil prices appreciated by c. 1.31% to \$73.45 per barrel in intraday trade, while WTI appreciated by c 1.23% day-on-day to settle at US\$69.40pb as at print time. Meanwhile, Spot Gold depreciated by c. 0.02% day-on-day to close at US\$2,005.30 per ounce as of report time.

Despite a price recovery, demand worries still exist

AIICO Money Market Fund (AMMF)		
Net Yield	(As at 4th May 2023)	12.4201%
Added Benefit		Personal accident insurance cover

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
LEARNAFRCA	2.42	0.22	↑ 10.00%
CWG	1.32	0.12	↑ 10.00%
INTENEGINS	1.24	0.11	↑ 9.73%
CUSTODIAN	6.25	0.55	↑ 9.65%
MEYER	2.43	0.21	↑ 9.46%

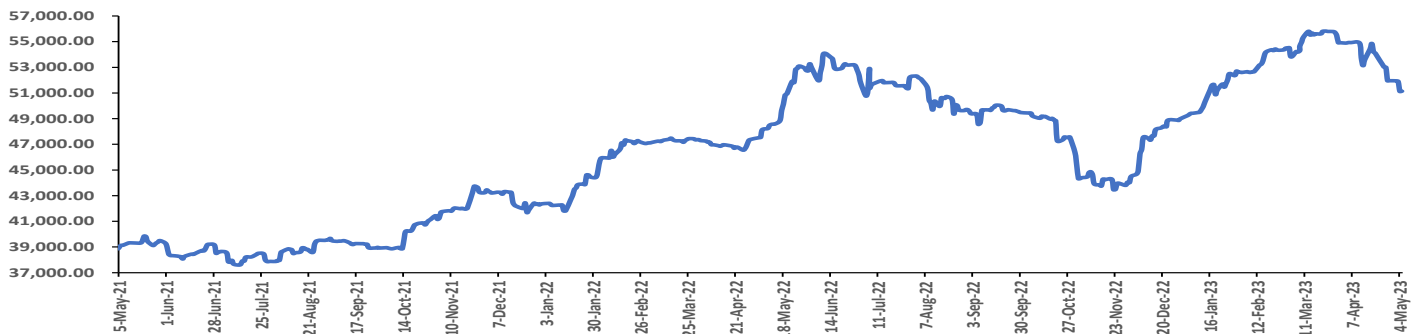
Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
TRANSCORP	1.94	-0.21	↓ -9.77%
LIVINGTRUST	2.69	-0.29	↓ -9.73%
MCNICHOLS	0.65	-0.07	↓ -9.72%
VERITASKAP	0.20	-0.01	↓ -4.76%
JAIZBANK	0.91	-0.04	↓ -4.21%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.34%	↑ 0.12%	↑ 2.37%
NSE Banking Index	↑ 1.37%	↑ 5.23%	↑ 10.41%
NSE Insurance Index	↑ 0.40%	↑ 3.08%	↑ 9.00%
NSE Industrial Goods Index	↑ 0.09%	↑ 0.09%	↑ 1.92%
NSE Consumer Goods Index	↑ 0.49%	↑ 0.02%	↑ 25.03%
NSE Oil & Gas Index	↑ 2.39%	↑ 5.08%	↑ 14.12%

NSE All Share Index



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