

Daily Financial Market Update



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MARKET COMMENTARY

Money Market

Opening System liquidity increased to c. ₦534.78 billion long, compared with the opening balance of ₦343.84 billion recorded last week Friday. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) both declined to 10.63% and 11.00% respectively. **We expect the interbank rates to trade at similar levels tomorrow.**

Treasury Bills

The treasury bills market started off with slight sell interests around the long end of the curve. However, market switched to a bullish posture, as more bids scouted for the mid to long dated papers, particularly 22 May 2023, 19 Dec 2023, 7 Mar 2024 and 11 Apr 2024 amongst others, with limited offers. Average yield shed c. 33bps to 6.65%. **We anticipate sustained demand pressure across the long-dated papers, even as market participants look forward to Wednesday's treasury bills auction.**

FGN Bonds

Similarly, the local bonds market opened with unmatched interests across the 2026, 2027, 2028, 2037, 2042, 2049 and 2050 papers. Subsequently, active buyers dominated the session with some consummated trades on selected papers. Nonetheless, average yield inched up by 1bp to settle at 14.20% **We expect the market to trend on a similar note tomorrow.**

Eurobonds

The Eurobond market was largely quiet today, on the back of the ongoing coronation of King Charles III at the United Kingdom. As a result, average yield remained at 12.73%. **We expect tomorrow's session to trade cautiously, in anticipation of the next US inflation data.**

Macro Indicators	
GDP (Q4 2022)	+3.52% (Q3 2022: +2.25% y/y)
Inflation	22.04% (Feb'23: 21.91%)
External Reserve (US\$'billion)	35.29 (-4.84% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*76.03(+0.97% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	08-May-23	05-May-23	Change in Rates
64 days	2.50%		↑ 2.50%
183 days	4.40%		↑ 4.40%
337 days	3.66%		↑ 3.66%

Source: FMDQ DQL for 08 May 2023

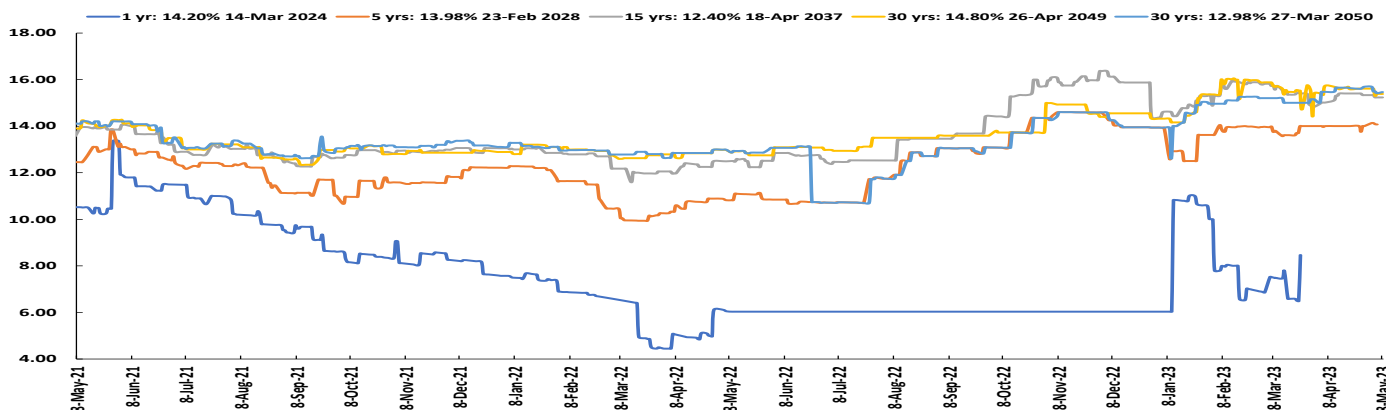
Benchmark FGN Bond Yields			
	08-May-23	05-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.92%	12.84%	↑ 0.08%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	15.36%	15.36%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	15.84%	15.84%	→ 0.00%

Source: FMDQ DQL for 08 May 2023

Benchmark FGN Eurobond Yields			
	08-May-23	05-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%	12.29%	→ 0.00%
10 yrs: NGERIA 7.875 02/16/32	12.79%	12.79%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	12.95%	12.95%	→ 0.00%
30 yrs: NGERIA 9.248 01/21/49	12.95%	12.95%	→ 0.00%
7.125% ECOTRAN 16/02/26	13.81%	13.81%	→ 0.00%

Source: FBN UK Runs for 08 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 52,579.52, while year-to-date return improved to c 2.59%. Buying interest in ACCESSCORP (0.3%) and FBNH (0.15%) 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. 167.61 million units and c. ₦ 1.92 billion, respectively.

We expect the bullish bias to linger tomorrow

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate appreciated to ₦461.25/US\$1.00 from ₦462.23/US\$1.00 recorded last week Friday.

We expect the NAFEX rate to continue to hover around \$/₦461 - 462 levels

Commodities

Oil prices rose slightly in early Asian trade on Monday as fears of a recession in the U.S., which drove prices down for three straight weeks for the first time since November, began to recede. Brent oil prices appreciated by c. 0.97% to \$76.03 per barrel in intraday trade, while WTI appreciated by c 1.02% day-on-day to settle at US\$72.07 pb as at print time. Meanwhile, Spot Gold appreciated by c. 0.21% day-on-day to close at US\$2,029.10 per ounce as of report time

We expect a steady rise in Oil prices as recession fears fade.

AIICO Money Market Fund (AMMF)

Net Yield (As at 7th May 2023)	12.5262%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
MULTIVERSE	3.41	0.31	↑ 10.00%
REDSTAREX	2.65	0.24	↑ 9.96%
CWVG	1.45	0.13	↑ 9.85%
MCNICHOLS	0.71	0.06	↑ 9.23%
INTNBREW	4.70	0.30	↑ 6.82%

Source: NGX, AIICO Capital

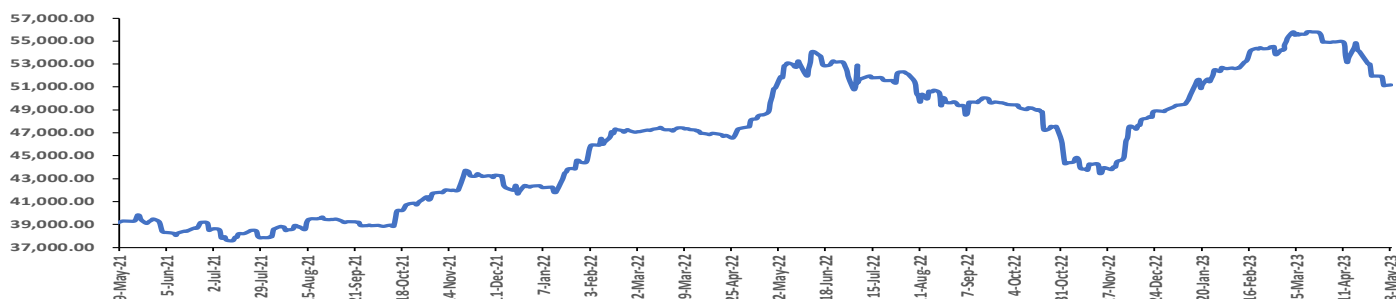
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CILEASING	3.59	-0.39	↓ -9.80%
TRANSCORP	1.79	-0.15	↓ -7.73%
FTNCOCOA	0.27	-0.02	↓ -6.90%
CHAMS	0.29	-0.02	↓ -6.45%
CUSTODIAN	5.95	-0.30	↓ -4.80%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.22%	↑ 0.34%	↑ 0.34%	↑ 2.59%
NSE Banking Index	↑ 0.62%	↑ 5.87%	↑ 5.87%	↑ 11.09%
NSE Insurance Index	↑ 0.81%	↑ 3.91%	↑ 3.91%	↑ 9.88%
NSE Industrial Goods Index	↑ 0.03%	↑ 0.12%	↑ 0.12%	↑ 1.95%
NSE Consumer Goods Index	↑ 0.56%	↑ 0.58%	↑ 0.58%	↑ 25.73%
NSE Oil & Gas Index	↑ 0.35%	↑ 5.45%	↑ 5.45%	↑ 14.52%

NSE All Share Index



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