

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity increased to c.₦585.69 billion long, compared with the opening balance of ₦534.78 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) both increased to 11.00% and 11.33% respectively. **We expect the interbank rates to remain at low double digits amid the relatively buoyant system liquidity**

Treasury Bills

Activity in the treasury bills market was largely muted, as most participants were standoffish ahead of tomorrow's NTB auction. However, subtle buying interests were observed across the mid to long dated papers, especially 09 Nov 2023, 28 Mar 2024 and 11 Apr 2024 papers. Thus, the average mid-rate closed c.42bps lower to settle at 6.23%. **Attention is expected to shift to tomorrow's NTB primary market auction, as such, secondary market activity should be relatively muted**

FGN Bonds

It was a mixed affair in the FGN bonds market, with most of the interests skewed to the 2028, 2037, 2049 and 2050 papers. Interestingly, the long end of the curve appears to be witnessing some renewed buyside interest ahead of next week Monday's FGN bond auction, despite the dearth of coupon inflows. Overall, the average mid yield closed c.2bps higher to print at 14.22%.% **We anticipate the mixed theme to persist tomorrow**

Eurobonds

Ahead of tomorrow's US inflation readings, the Eurobond market endured a bearish theme, with lower prices recorded across the SSA curves (also fueled by the fall in Oil prices). However, Egypt witnessed buyside interest on the short end while the long end was relatively flattish. Consequently, the average mid yield across the Nigerian curve settled at 12.63%. **We expect tomorrow's session to trade cautiously, in anticipation of the US inflation report**

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Macro Indicators

GDP (Q4 2022)	+3.52% (Q3 2022: +2.25% y/y)
Inflation	22.04% (Feb'23: 21.91%)
External Reserve (US\$'billion)	35.28 (-4.87% 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

	09-May-23	08-May-23	Change in Rates
30 days	5.50%	5.50%	→ 0.00%
184 days	6.37%	6.37%	→ 0.00%
303 days	9.56%	9.56%	→ 0.00%

Source: FMDQ DQL for 09 May 2023

Benchmark FGN Bond Yields

	09-May-23	08-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	13.30%	12.92%	↑ 0.38%
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%

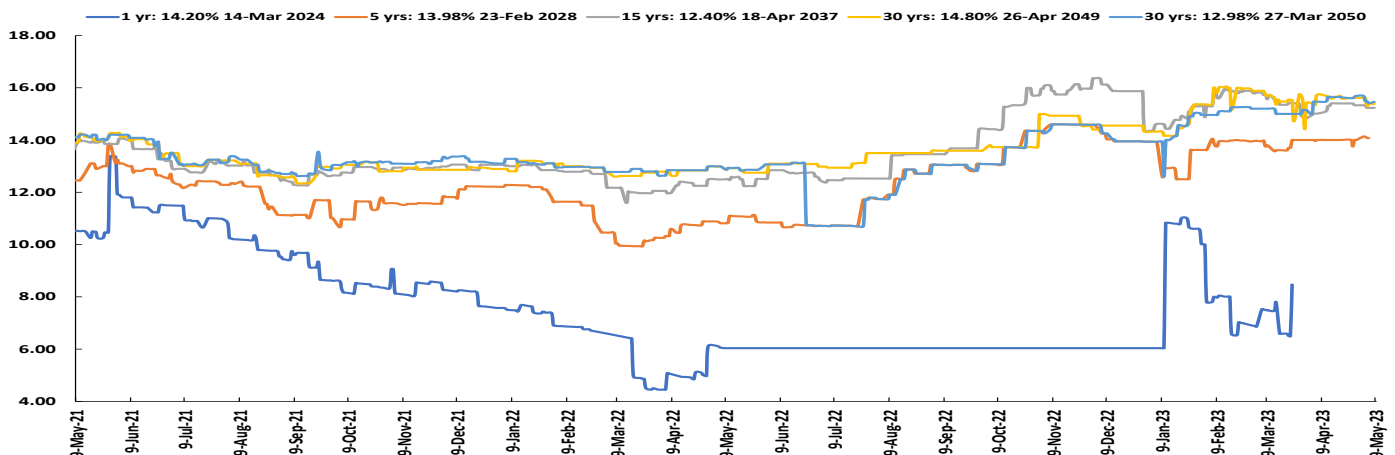
Source: FMDQ DQL for 09 May 2023

Benchmark FGN Eurobond Yields

	09-May-23	08-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 09 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. 0.05% to close at 52,605.41, while year-to-date return improved to c 2.64%. Buying interest in ZENITHBANK (0.1%) and FBNH (0.25%) drove the upward trend in today's session.

The NGX Banking and Oil & Gas Indices all appreciated in value today by 0.76% and 1.12%, respectively. However, the NGX Consumer Goods Index depreciated in value by 0.73%, while the NGX Industrial Goods Index closed flat.

ACCESSCORP led both the volume and value charts with c. 129.73 million units and c. ₦ 1.48 billion, respectively

We anticipate the buy-side interest to linger tomorrow.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦462.25/US\$1.00 from ₦461.25/US\$1.00 recorded yesterday.

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

Commodities

Oil prices fell on Tuesday, relinquishing some of the strong gains in the previous two sessions while the market remained cautious ahead of U.S. inflation figures for April, which will be key to the Federal Reserve's next interest rate decision. Brent oil prices depreciated by c. 0.83% to \$76.37 per barrel in intraday trade, while WTI depreciated by c 0.77% day-on-day to settle at US\$72.60pb as at print time. Meanwhile, Spot Gold appreciated by c. 0.06% day-on-day to close at US\$2,034.40 per ounce as of report time.

All the focus will be on the US Fed's decision tomorrow.

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
CONOIL	48.40	4.40 ↑	10.00%
MULTIVERSE	3.75	0.34 ↑	9.97%
JOHNHOLT	1.91	0.17 ↑	9.77%
CWG	1.59	0.14 ↑	9.66%
TRANSCORP	1.96	0.17 ↑	9.50%

Source: NGX, AIICO Capital

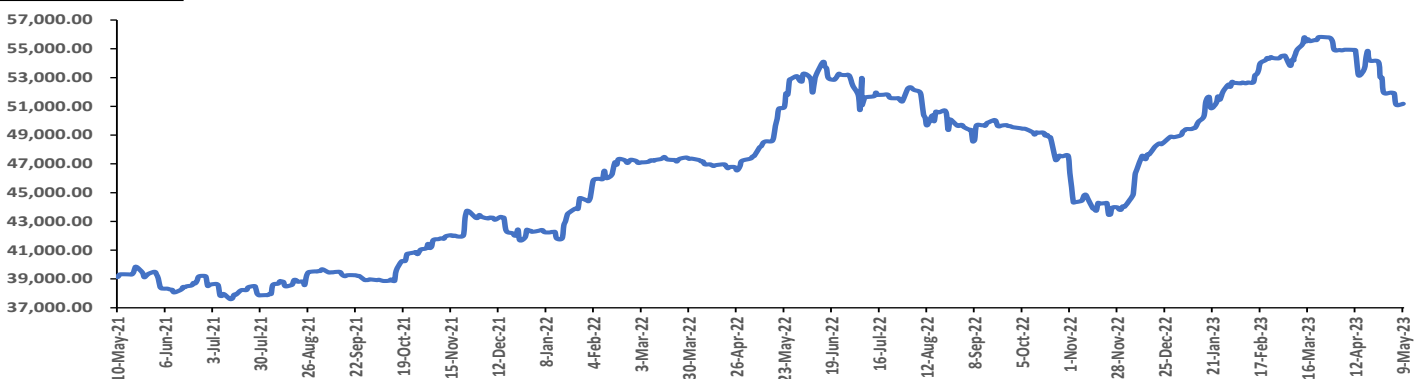
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
UNITYBANK	0.49	-0.39 ↓	-9.80%
JAPAULGOLD	0.31	-0.15 ↓	-7.73%
CUTIX	2.28	-0.02 ↓	-6.90%
NB	32.10	-0.02 ↓	-6.45%
ACADEMY	5.95	-0.30 ↓	-4.80%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.05%	↑ 0.59%	↑ 0.39%	↑ 2.64%
NSE Banking Index	→ 0.00%	↑ 2.95%	↑ 5.87%	↑ 11.09%
NSE Insurance Index	→ 0.00%	↑ 3.91%	↑ 3.91%	↑ 9.88%
NSE Industrial Goods Index	→ 0.00%	↑ 0.21%	↑ 0.12%	↑ 1.95%
NSE Consumer Goods Index	→ 0.00%	↑ 0.27%	↑ 0.58%	↑ 25.73%
NSE Oil & Gas Index	→ 0.00%	↑ 4.35%	↑ 5.45%	↑ 14.52%

NSE All Share Index



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