

Daily Financial Market Update



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MARKET COMMENTARY

Money Market

Opening System liquidity increased to c.₦721.54 billion long, compared with the opening balance of ₦584.69 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) remained unchanged at 11.00% while the Overnight Rate (O/N) rose by 5bps to 11.38% respectively. **We expect the interbank rates to hover around its current levels, pending any major flows.**

Treasury Bills

The treasury bills market started off slightly muted today, as players skewed interest towards the primary market. Although, some sell interest mildly persisted on the long-dated papers, particularly the 7 March 2024, 14 March 2024, 28 March 2024, 11 April 2024 and 25 April 2024. Nevertheless, average yield shed c. 34bps to 5.89%, as buy interests filtered across board ahead of the auction result. **We expect market yields to rally downwards, as the liquidity-induced bullish sentiment should extend into the secondary market tomorrow.**

FGN Bonds

The local bonds market posted a mixed to bullish bias across several papers, including the 2026, 2028, 2030, 2037, 2049 and 2050 papers. Overall, market lost c.6bps to settle at 14.16%. **We expect a similar performance to resurface tomorrow**

Eurobonds

Despite some country-specific market-moving events, investors reaction was mostly stimulated by jitters around the U.S C.P.I data. After the bearish sentiment across SSA and MENA Eurobonds market at the early hours of trading, market tilted towards a bullish bias, as the US April inflation showed 4.9% YoY, lower than 5.5% estimates. Average mid-yield across the Nigerian curve settled at 12.51%, as it lost c.12bps. **We expect the market to extend its optimism for a rebound in tomorrow's session.**

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	*76.33(+1.43% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	10-May-23	09-May-23	Change in Rates
29 days	5.50%	5.50%	↔ 0.00%
183 days	4.77%	6.37%	↓ -1.60%
337 days	8.69%	9.21%	↓ -0.52%

Source: FMDQ DQL for 10 May 2023

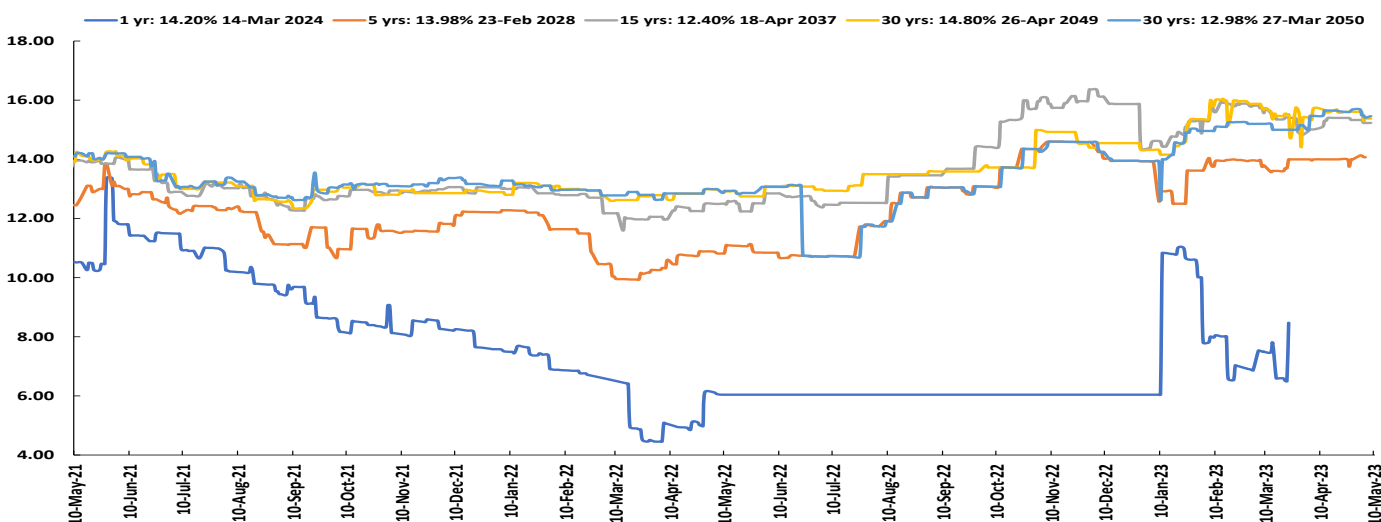
Benchmark FGN Bond Yields			
	10-May-23	09-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.94%	13.30%	↓ -0.36%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	↔ 0.00%
20 yrs: 13.00% 21-Jan-2042	15.36%	15.36%	↔ 0.00%
30 yrs: 12.98% 27-Mar-2050	15.84%	15.84%	↔ 0.00%

Source: FMDQ DQL for 10 May 2023

Benchmark FGN Eurobond Yields			
	10-May-23	09-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.24%	6.24%	↔ 0.00%
5 yrs: NGERIA 6 1/2 11/28/27	12.38%	12.42%	↓ -0.04%
10 yrs: NGERIA 7.875 02/16/32	12.79%	12.94%	↓ -0.15%
15 yrs: NGERIA 7.696 23/02/38	12.98%	13.11%	↓ -0.13%
30 yrs: NGERIA 9.248 01/21/49	13.02%	13.11%	↓ -0.09%
7.125% ECOTRAN 16/02/26	13.83%	13.82%	↑ 0.01%

Source: FBN UK Runs for 10 May 2023

Benchmark Bond Yields



Nigerian Equities

The Nigerian equity market closed on a bearish note today, as the Nigerian Stock Exchange All Share Index (NGX ASI) lost c.0.75% to close at 52,209.06, while year-to-date return settled at c 1.87%. Selling interest in BUACEMENT (8.02%) significantly caused the pull back in today's session.

The NGX Banking and Industrial Indices depreciated in value today by 1.22% and 3.40%, respectively. However, the NGX Consumer Goods and Oil & Gas Indices gained in value by 1.30% and 0.93%, respectively. ACCESSCORP led both the volume and value charts with c. 139.29 million units and c. ₦ 1.46 billion, respectively

We expect the bearish sentiment to linger tomorrow

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦463.02/US\$1.00 from ₦462.25/US\$1.00 recorded yesterday.

We expect the NAFEX rate to continue to retreat to its \$/₦462 levels tomorrow.

Commodities

For the most part of today's session, the unexpected increase in U.S. oil inventories sparked demand concerns and led Oil prices to decline today, after the days on bullish rally. Looking ahead, the better-than-expected U.S CPI reading should influence a rebound in Oil prices. As of report time, Brent oil prices depreciated by c. -0.98% to \$76.68 per barrel in intraday trade, while WTI depreciated by c 1.17% day-on-day to settle at US\$72.85pb. Similarly, Spot Gold declined by c. 0.57% day-on-day to close at US\$2,031.30 per ounce as of report time..

The better-than-expected U.S C.P.I data should positively influence the direction of Oil prices tomorrow

AIICO Money Market Fund (AMMF)

Net Yield (As at 9th May 2023)	12.4575%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
ARDOVA	22.00	2.00	↑ 10.00%
NCR	2.33	0.21	↑ 9.91%
TRANSCORP	2.15	0.19	↑ 9.69%
JAPAUFGOLD	0.34	0.03	↑ 9.68%
CWG	1.74	0.15	↑ 9.43%

Source: NGX, AIICO Capital

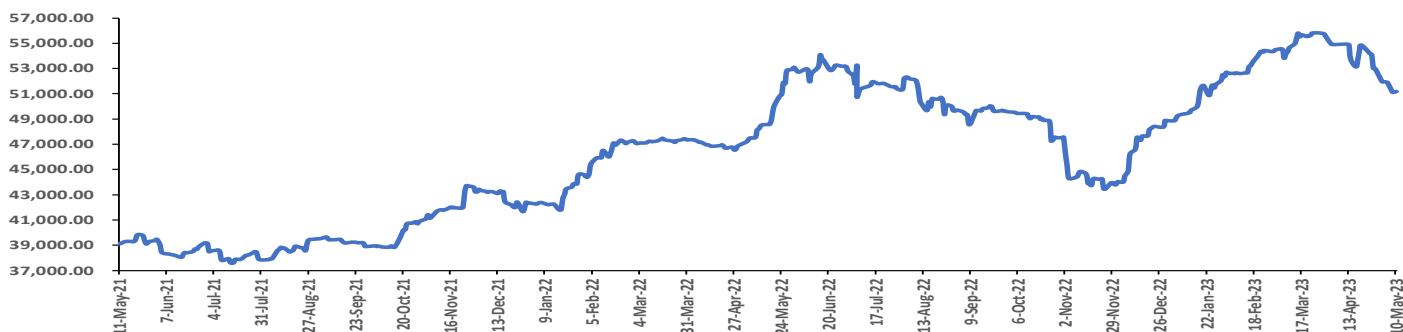
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CAVERTON	1.05	-0.11	↓ -9.48%
SUNUASSUR	0.49	-0.05	↓ -9.26%
BUACEMENT	90.00	-7.85	↓ -8.02%
ACADEMY	1.52	-0.13	↓ -7.88%
AFRIPRUD	5.35	-0.25	↓ -4.46%

Source: NGX, AIICO Capital

	W-o-W		MTD		YTD	
NGX ASI	↓ -0.75%	↑ 0.00%	↓ -0.37%	↑ 1.87%	↑ 1.87%	1.87%
NSE Banking Index	↓ -1.22%	↑ 2.29%	↑ 5.38%	↑ 10.57%	↑ 10.57%	10.57%
NSE Insurance Index	↓ -0.43%	↑ 2.86%	↑ 3.46%	↑ 9.41%	↑ 9.41%	9.41%
NSE Industrial Goods Index	↓ -3.40%	↓ -3.28%	↓ -3.29%	↓ -1.52%	↓ -1.52%	-1.52%
NSE Consumer Goods Index	↑ 1.30%	↑ 1.33%	↑ 1.15%	↑ 26.43%	↑ 26.43%	26.43%
NSE Oil & Gas Index	↑ 0.93%	↑ 5.68%	↑ 7.62%	↑ 16.87%	↑ 16.87%	16.87%

NSE All Share Index



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