

Daily Financial Market Update

AIICO CAPITAL
www.aicocapital.com

f t in @ /aicocapitalng

MARKET COMMENTARY

Money Market

Opening System liquidity increased slightly to c.₦756.77 billion long, compared with the opening balance of ₦721.54 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) remained unchanged at 11.00% while the Overnight Rate (O/N) stood at 11.38% respectively. **We expect the interbank rates to trend higher tomorrow amid potential CRR debits.**

Treasury Bills

The average mid-rate in the treasury bills market plummeted by 121bps to 4.75%, owing to the bullish rally witnessed since yesterday following the release of the NTB auction result. Investors scrambled for same day settlement transactions at today's session as they sought to fill lost bids. Overall, traded papers were mostly skewed to the long-dated maturities. **We expect the bullish sentiment to ease tomorrow, as most auction orders have been filled.**

FGN Bonds

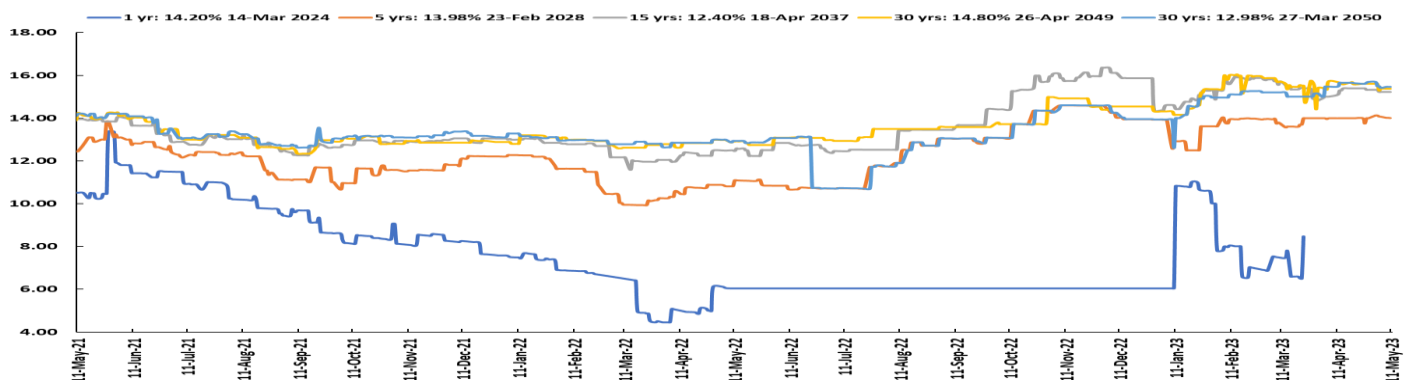
The local bonds market continued its mixed performance today, with most buy interests skewed towards the short end (2026 and 2027 papers) and sell interests at the mid-to-long end of the curve (2036, 2037 and, 2042). Yield lost 3bps to settle at 14.13% at the end of today's session. **We expect the market to trade sideways tomorrow.**

Eurobonds

The Eurobonds market continued to enjoy respite from the lower-than-forecasted U.S C.P.I data, as buy interests was seen across the curve. For Egypt, Moody's Rating Agency placed the country for a downward review. The downgrade review was due to its ability to finalize the targeted \$2 billion in asset sales necessary to meet the IMF program's financing targets for fiscal 2023 which ends in June 2023. Thus, the average mid-yield across the Nigerian curve settled at 12.50%, as it lost c.2bps.

Also, worthy to note is the Bank of England increasing its key interest rate by another 25 basis points today, bringing borrowing costs up to 4.50% - their highest level since 2008. **We expect the market to extend its bullish sentiment tomorrow, at similar momentum.**

Benchmark Bond Yields



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 (-5.02% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*74.94(-1.92% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	11-May-23	10-May-23	Change in Rates
28 days	5.50%	5.50%	↔ 0.00%
182 days	4.50%	4.77%	↓ -0.27%
336 days	7.61%	8.69%	↓ -1.08%

Source: FMDQ DQL for 11 May 2023

Benchmark FGN Bond Yields

	11-May-23	10-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.73%	12.94%	↓ -0.21%
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	15.83%	15.84%	↓ -0.01%

Source: FMDQ DQL for 11 May 2023

Benchmark FGN Eurobond Yields

	11-May-23	10-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	12.31%	12.38%	↓ -0.07%
10 yrs: NGERIA 7.875 02/16/32	12.80%	12.79%	↑ 0.01%
15 yrs: NGERIA 7.696 23/02/38	12.92%	12.98%	↓ -0.06%
30 yrs: NGERIA 9.248 01/21/49	12.98%	13.02%	↓ -0.04%
7.125% ECOTRAN 16/02/26	13.85%	13.83%	↑ 0.02%

Source: FBN UK Runs for 11 May 2023

Nigerian Equities

The Nigerian equity market closed on a bearish note today, as the Nigerian Stock Exchange All Share Index (NGX ASI) lost c.0.09% to close at 52,161.24, while year-to-date return settled at c 1.78%. Selling interest in ACCESSCORP (-3.77%), INTBREW (-3.26%) and ZENITHBANK (-2.05%) impacted the downward trend in today's session.

The NGX Banking, Industrial and Consumer Goods Indices depreciated in value today by 1.35%, 0.01%, and 0.10%, respectively. However, the NGX Oil & Gas Index gained in value by 1.34%.

ACCESSCORP led both the volume and value charts with c. 169.32 million units and c. ₦ 1.74 billion, respectively.

We expect tomorrow's performance to remain bearish.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦462.73/US\$1.00 from ₦463.02/US\$1.00 recorded yesterday.

We expect the NAFEX rate to hover around \$/₦462 levels tomorrow.

Commodities

Oil prices declined today, due to jitters around the U.S debt ceiling and upswing in U.S Jobless claims data. As of report time, Brent oil prices depreciated by c. -1.41% to \$75.33 per barrel in intraday trade, while WTI depreciated by c 1.70% day-on-day to settle at US\$71.33pb. Similarly, Spot Gold declined by c. 0.61% day-on-day to close at US\$2,024.60 per ounce as of report time..

We expect the subsequent economic indicators to steer the direction of oil prices tomorrow.

AIICO Money Market Fund (AMMF)

Net Yield	(As at 10th May 2023)	12.4399%
Added Benefit	Personal accident insurance cover	

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
ARDOVA	24.20	2.20	↑ 10.00%
NCR	2.56	0.23	↑ 9.87%
MULTIVERSE	4.12	0.37	↑ 9.87%
MRS	30.70	2.75	↑ 9.84%
CWG	1.91	0.17	↑ 9.77%

Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
FCMB	4.00	-0.24	↓ -5.66%
ACCESSCORP	10.20	-0.40	↓ -3.77%
STERLINGNG	1.64	-0.06	↓ -3.53%
NEIMETH	1.45	-0.05	↓ -3.33%
ROYALEX	0.58	-0.02	↓ -3.33%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↓ -0.09%	↓ -0.09%	↓ -0.46%	↑ 1.78%
NSE Banking Index	↓ -1.35%	↑ 0.91%	↑ 3.96%	↑ 9.08%
NSE Insurance Index	↑ 0.18%	↑ 3.05%	↑ 3.65%	↑ 9.61%
NSE Industrial Goods Index	↓ -0.01%	↓ -3.28%	↓ -3.29%	↓ -1.53%
NSE Consumer Goods Index	↓ -0.10%	↑ 1.23%	↑ 1.05%	↑ 26.31%
NSE Oil & Gas Index	↑ 1.34%	↑ 7.09%	↑ 9.07%	↑ 18.44%

NSE All Share Index



Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction. Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.