

# Daily Financial Market Update

**AIICO CAPITAL**
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## MARKET COMMENTARY

### Money Market

Opening System liquidity fell slightly to c.₦701.24 billion long, compared with the opening balance of ₦756.77 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and Overnight Rate (O/N) increased by 113bps and 125bps to 12.13% and 12.63% respectively. **We expect the interbank rates to expand further next week, as the bond auction settlement should partly deplete system liquidity.**

### Treasury Bills

The treasury bills market retreated to a bearish posture after the bullish rally that clouded the market over the last few days. Moreso, sellers improved offers, in a bid to attract market bids. Notably, offer on 9 May 2024 paper improved from 7.40% to 8.00%, while the average mid-rate across board expanded by 11bps to 4.85%. **We expect the bearish bias to dominate the market next week.**

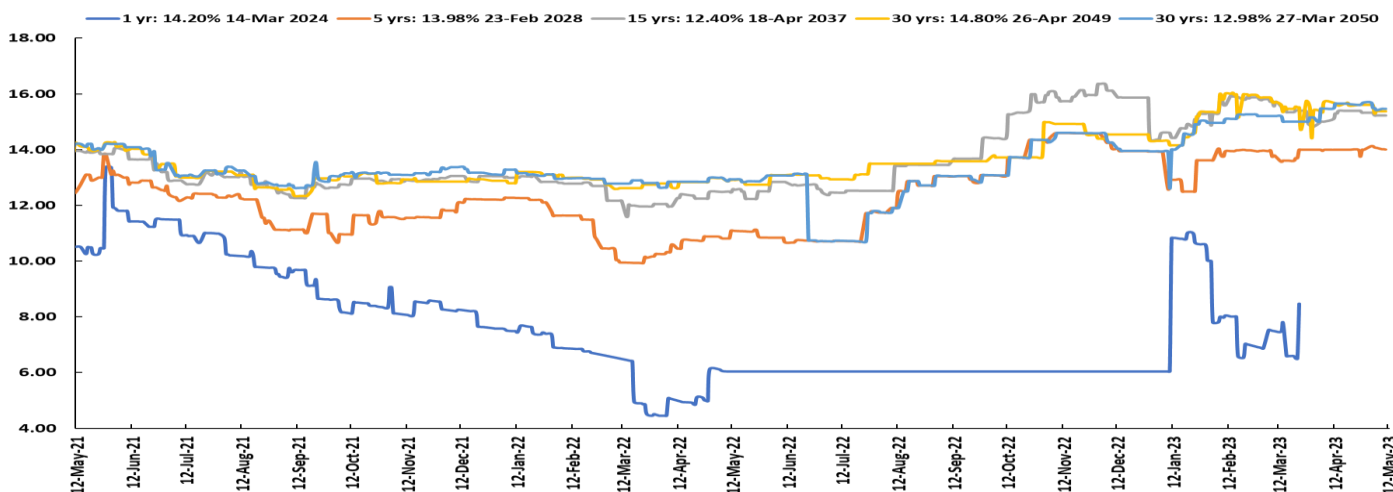
### FGN Bonds

The local bonds market closed today's session on a flat note, after the mixed sentiment that swerved across selected papers like 2028, 2037 and 2050. Hence, average yield remained relatively flat at 14.14%. **We expect activities to improve next week, as players brace up for the bond auction where the DMO will be offering ₦360bn bonds across the 2028, 2032, 2042 and 2050 papers.**

### Eurobonds

The Nigerian Eurobonds market traded mixed to bearish today, although, with minor activities. However, other SSA peers traded actively bullish, as market continues to phase out the risk-off sentiment. Average mid-yield increased by c.1bp to 12.51%. **We expect the bullish sentiment to ease, as the country-specific events should tip-toe towards the market spotlight for investors.**

## 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	*75.64(+0.88% d/d)

Source: NBS,CBN, AIICO Capital

### Benchmark T-Bills Discount Rates

	12-May-23	11-May-23	Change in Rates
27 days	5.50%	5.50%	→ 0.00%
181 days	4.50%	4.50%	→ 0.00%
335 days	7.61%	7.61%	→ 0.00%

Source: FMDQ DQL for 12 May 2023

### Benchmark FGN Bond Yields

	12-May-23	11-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.73%	12.73%	→ 0.00%
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%	15.83%	→ 0.00%

Source: FMDQ DQL for 12 May 2023

### Benchmark FGN Eurobond Yields

	12-May-23	11-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	12.25%	12.31%	↓ -0.06%
10 yrs: NGERIA 7.875 02/16/32	13.06%	12.80%	↑ 0.26%
15 yrs: NGERIA 7.696 23/02/38	13.19%	12.92%	↑ 0.27%
30 yrs: NGERIA 9.248 01/21/49	13.11%	12.98%	↑ 0.13%
7.125% ECOTRAN 16/02/26	14.87%	13.85%	↑ 1.02%

Source: FBN UK Runs for 12 May 2023

Aim higher. Reach further ▶

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**Nigerian Equities**

The Nigerian equity market closed on a bullish note today, as the Nigerian Stock Exchange All Share Index (NGX ASI) appreciated by c.0.10% to close at 52,214.62 points, while year-to-date return settled at c 1.88%. While buying interest in ARDOVA (9.09%) and, NAHCO (3.50%) supported the market, selling interests in UNILEVER (-4.38%) and PZ (-3.10%) caused the pull back in today’s session.

The NGX Banking, Industrial and Oil & Gas Indices appreciated in value today by 0.22%, 0.02%, and 1.36%, respectively. However, the NGX Consumer Goods Index depreciated in value by 0.13%.

FIDELITYBK led both the volume and value charts with c. 942.77 million units and c. ₦ 5.52 billion, respectively.

**We expect tomorrow’s performance to remain bearish.**

**Foreign Exchange**

FMDQ’s Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate appreciated to ₦462.33/US\$1.00 from ₦462.73/US\$1.00 recorded yesterday.

**We expect the NAFEX rate to hover around \$/₦462 levels next week.**

**Commodities**

Oil prices stabilized today, as market priced in positivism in United States-China economic relations. As of report time, Brent oil prices appreciated by c. 0.01% to \$75.01 per barrel in intraday trade, while WTI appreciated by c 0.03% day-on-day to settle at US\$70.89pb. Spot Gold declined by c. 0.18% day-on-day to close at US\$2,016.90 per ounce as of report time.

**We expect the volatility in oil prices to depress next week, barring any significant driver.**

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
MRS	33.75	3.05	↑ 9.93%
ACADEMY	1.67	0.15	↑ 9.87%
IKEJAHOTEL	1.56	0.14	↑ 9.86%
TRANSCORP	2.59	0.23	↑ 9.75%
ARDOVA	26.40	2.20	↑ 9.09%

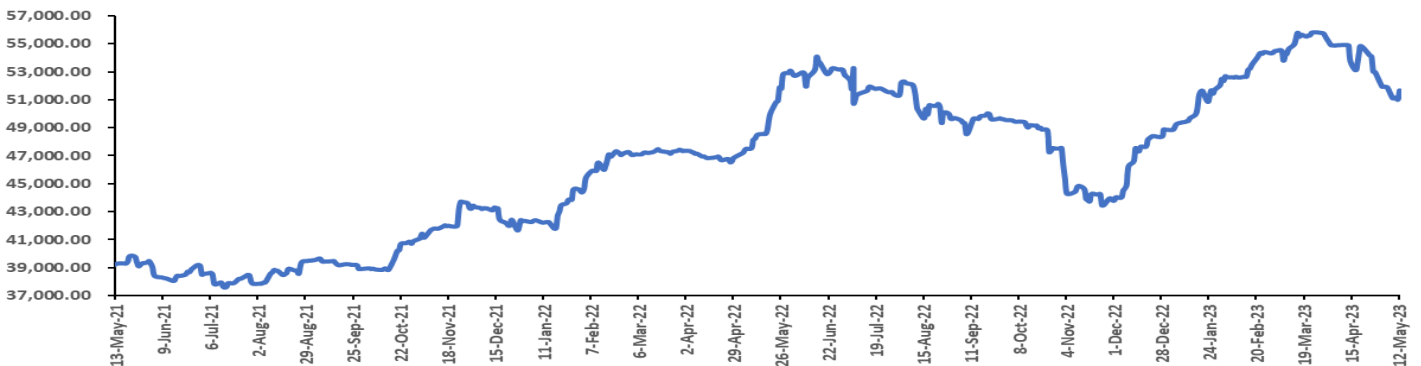
Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CILEASING	3.20	-0.35	↓ -9.86%
PRESTIGE	0.37	-0.04	↓ -9.76%
ROYALEX	0.54	-0.04	↓ -6.90%
COURTVILLE	0.43	-0.03	↓ -6.52%
LIVESTOCK	1.02	-0.07	↓ -6.42%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.10%	↑ 0.01%	↓ -0.36%	↑ 1.88%
NSE Banking Index	↑ 0.22%	↑ 1.13%	↑ 4.18%	↑ 9.32%
NSE Insurance Index	↑ 0.65%	↑ 3.72%	↑ 4.32%	↑ 10.32%
NSE Industrial Goods Index	↑ 0.02%	↓ -3.26%	↓ -3.27%	↓ -1.50%
NSE Consumer Goods Index	↓ -0.13%	↑ 1.09%	↑ 0.92%	↑ 26.14%
NSE Oil & Gas Index	↑ 1.36%	↑ 8.55%	↑ 10.55%	↑ 20.05%

**NSE All Share Index**



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