

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity fell to c. ₦69.83 billion long, compared with the opening balance of ₦701.24 billion recorded last week Friday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) increased to 13.13% and 13.88% respectively. **We expect the interbank rates to expand further this week as the bond auction settlement should partly deplete system liquidity.**

Treasury Bills

The treasury bills market closed on a muted note today, albeit with bearish tilt, as sell interests were observed on the short-end and belly of the curve, especially the May and August 2023 papers. Average yield soared by 98bps to 5.25%. **We expect the bearish sentiment to linger tomorrow.**

FGN Bonds

The FGN bonds market recorded lethargic activity, as most players were focused on today's FGN bond auction. Thus, the average yield inched up marginally by 1bp to 14.15%. **We expect the FGN bond auction result to drive a mixed to bearish secondary market activity in the interim.**

Eurobonds

The Nigerian Eurobonds market traded mixed to bullish today, with most buy interests at the short end of the curve. The SSA was mixed but mostly bearish, save for Ghana, as recent positive talks drove bullish sentiment across board. Specifically, Ghana expects the International Monetary Fund to approve a first loan tranche of \$600 million by Wednesday this week. Average yield fell by 32bps to 12.48%. **We expect the bullish sentiment resurface tomorrow.**

Macro Indicators	
GDP (Q4 2022)	+3.52% (Q3 2022: +2.25% y/y)
Inflation	22.22% (Mar'23: 22.04%)
External Reserve (US\$'billion)	35.22 (-5.02% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*74.10(-0.09% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	15-May-23	12-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 15 May 2023

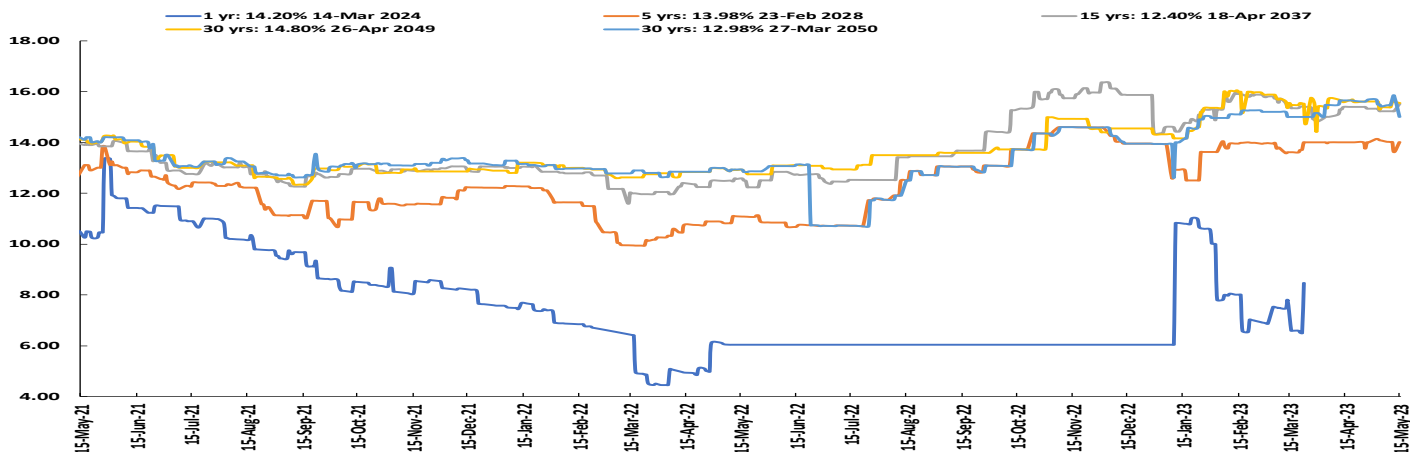
Benchmark FGN Bond Yields			
	15-May-23	12-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.72%	12.73%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.36%	15.36%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.83%	15.83%	(0.00%)

Source: FMDQ DQL for 15 May 2023

Benchmark FGN Eurobond Yields			
	15-May-23	12-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	12.40%	12.25%	(0.15%)
10 yrs: NGERIA 7.875 02/16/32	12.83%	13.06%	+0.23%
15 yrs: NGERIA 7.696 23/02/38	12.98%	13.19%	+0.21%
30 yrs: NGERIA 9.248 01/21/49	12.95%	13.11%	+0.16%
7.125% ECOTRAN 16/02/26	13.99%	14.87%	+0.88%

Source: FBN UK Runs for 15 May 2023

Benchmark Bond Yields



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.0.03% to close at 52,231.29 points, while year-to-date return settled at c 1.91%. While buying interest in TRANSCORP (0.25%) and, ACCESSCORP (0.1%) drove the upward trend recorded today.

The NGX Industrial and Consumer Goods Indices appreciated in value today by 0.02%, and 0.03%, respectively. However, the NGX Banking Index depreciated in value by 0.02% while the NGX Oil & Gas Index closed flat. TRANSCORP led the volume charts with c. 190.85 million units while ACCESSCORP led the value charts with c. ₦ 1.25 billion, respectively

We expect the bullish sentiment to linger tomorrow.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦464.00/US\$1.00 from ₦462.33/US\$1.00 recorded last week Friday.

We expect the NAFEX rate to hover around \$/₦463 level.

Commodities

Oil prices fell on Monday as concerns about fuel consumption in the world's two largest users, the United States and China, outweighed bullish sentiment about tightening supply from any OPEC+ cuts and a return of U.S. reserve purchases. As of report time, Brent oil prices depreciated by c. 0.09% to \$74.10 per barrel in intraday trade, while WTI depreciated by c 0.10% day-on-day to settle at US\$69.97pb. Spot Gold appreciated by c. 0.19% day-on-day to close at US\$2,023.60 per ounce as of report time. **We expect Oil prices to decline as economic worries outweigh the possibility of fewer supplies**

AIICO Money Market Fund (AMMF)

Net Yield (As at 12th May 2023)	12.7384%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
OANDO	6.10	0.55	↑ 9.91%
NCR	2.81	0.25	↑ 9.77%
TRANSCORP	2.84	0.25	↑ 9.65%
IKEJAHOTEL	1.71	0.15	↑ 9.62%
JBERGER	31.00	2.50	↑ 8.77%

Source: NGX, AIICO Capital

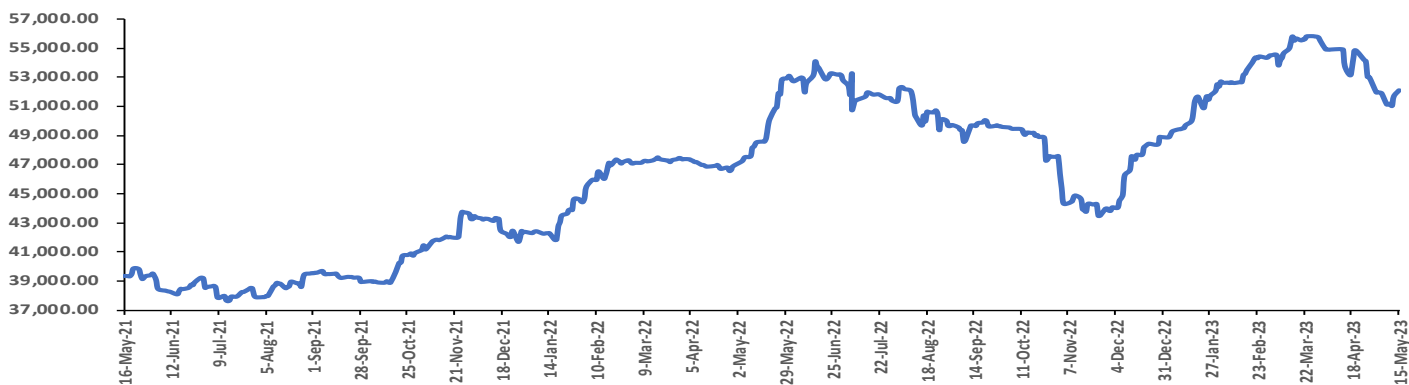
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CWG	1.87	-0.20	↓ -9.66%
NEM	4.12	-0.43	↓ -9.45%
ROYALEX	0.50	-0.04	↓ -7.41%
CUTIX	2.32	-0.10	↓ -4.13%
AIICO	0.57	-0.02	↓ -3.39%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.03%	↑ 0.05%	↓ -0.33%	↑ 1.91%
NSE Banking Index	↓ -0.02%	↑ 1.11%	↑ 4.16%	↑ 9.29%
NSE Insurance Index	↓ -1.41%	↑ 2.25%	↑ 2.85%	↑ 8.76%
NSE Industrial Goods Index	↑ 0.02%	↓ -3.24%	↓ -3.25%	↓ -1.48%
NSE Consumer Goods Index	↑ 0.03%	↑ 1.12%	↑ 0.94%	↑ 26.18%
NSE Oil & Gas Index	→ 0.00%	↑ 8.55%	↑ 10.55%	↑ 20.05%

NSE All Share Index



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