

# Daily Financial Market Update



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## MARKET COMMENTARY

### Money Market

Opening System liquidity fell to c. ₦34.77 billion long, compared with the opening balance of ₦69.83 billion recorded yesterday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) both increased by 25bps to 13.38% and 14.13% respectively. **We expect the interbank rates to expand tomorrow, as the bond auction settlement should stifle system liquidity.**

### Treasury Bills

The treasury bills market delved into a quiet session today, albeit few selling interests were recorded on CBN Special bills (7 and 21 August 2023 papers) and long dated NTBs (especially 09 May 2024). Thus, the average mid-rate settled at 6.23%. **We expect a similar occurrence tomorrow, barring any strong driver.**

### FGN Bonds

Activity in the local bonds market was mixed today. While buying interests occasionally scouted for papers like the 2028 and 2049, we also saw sideways interests mostly on the 2050 paper. Average yield inched up slightly by 1bp to 14.16%. **We expect to see the same trajectory in tomorrow's session.**

### Eurobonds

In the SSA Eurobonds market, Ghana continued to trend bullish on IMF loan approval. However, other peers started off today's session bearish but eased some of its losses with some buying interests towards the end of the session, as U.S retail sales data printed lower-than-expected. This suggests a slower consumer spending and possibly reduced inflationary pressures. As a result, this led the average yield to fall by only 1bp to settle at 12.47%. **We expect tomorrow's session to post a mixed performance.**

Macro Indicators	
GDP (Q4 2022)	+3.52% (Q3 2022: +2.25% y/y)
Inflation	22.22% (Mar'23: 22.04%)
External Reserve (US\$'billion)	35.18 (-5.11% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*75.36(+0.17% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	16-May-23	15-May-23	Change in Rates
23 days	5.50%	5.50%	(0.00%)
171 days	4.50%	4.50%	(0.00%)
331 days	7.61%	7.61%	(0.00%)

Source: FMDQ DQL for 16 May 2023

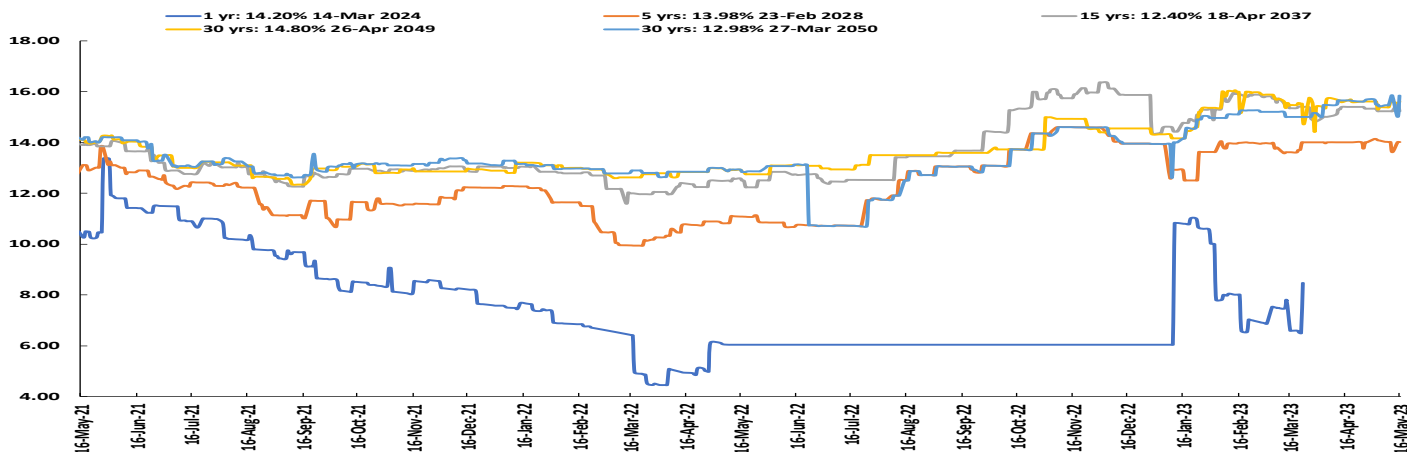
Benchmark FGN Bond Yields			
	16-May-23	15-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.72%	12.72%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.67%	15.36%	(0.31%)
30 yrs: 12.98% 27-Mar-2050	15.73%	15.83%	+0.10%

Source: FMDQ DQL for 16 May 2023

Benchmark FGN Eurobond Yields			
	16-May-23	15-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	12.28%	12.40%	+0.12%
10 yrs: NGERIA 7.875 02/16/32	12.80%	12.83%	+0.03%
15 yrs: NGERIA 7.696 23/02/38	12.95%	12.98%	+0.03%
30 yrs: NGERIA 9.248 01/21/49	12.98%	12.95%	(0.03%)
7.125% ECOTRAN 16/02/26	13.99%	13.99%	(0.00%)

Source: FBN UK Runs for 16 May 2023

## Benchmark Bond Yields



Aim higher. Reach further ▶

**AICO CAPITAL**

**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.0.36% to close at 52,419.33 points, while year-to-date return settled at c 2.28%. Observably, buying interest in NB (9.97%), TRANSCORP (7.75%) and, GTCO (4.15%) drove the upward trend recorded today.

The NGX Banking, Industrial and Consumer Goods Indices appreciated in value today by 1.10%, 0.06% and 0.85%, respectively. However, the NGX Oil & Gas Index depreciated in value by 0.72%. UBA led the volume charts with c. 94.31 million units while ZENITHBANK led the value charts with c. ₦ 1.41 billion.

**We expect the bullish sentiment to extend into tomorrow’s session.**

**Foreign Exchange**

FMDQ’s Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦464.67/US\$1.00 from ₦464.00/US\$1.00 recorded yesterday.

**We expect the NAFEX rate to retreat to its \$/₦463 level tomorrow.**

**Commodities**

Oil prices increased today following forecasted higher global demand from the International Energy Agency (IEA). However, weaker-than-expected economic data in China thin-out further gains. As of report time, Brent oil prices appreciated by c. 0.04% to \$75.26 per barrel in intraday trade, while WTI depreciated by c 0.07% day-on-day to settle at US\$71.16pb. Alternatively, Spot Gold depreciated by c. 0.66% day-on-day to close at US\$2,000.40 per ounce as of report time. **We expect Oil prices to hover around similar levels tomorrow, as market gauge the existing drivers.**

AICO Money Market Fund (AMMF)		
Net Yield	(As at 15th May 2023)	12.8906%
Added Benefit		Personal accident insurance cover

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
NB	35.30	3.20	↑ 9.97%
FTNCOCOA	0.34	0.03	↑ 9.68%
SOVRENINS	0.46	0.04	↑ 9.52%
CORNERST	0.74	0.06	↑ 8.82%
TRANSCORP	3.06	0.22	↑ 7.75%

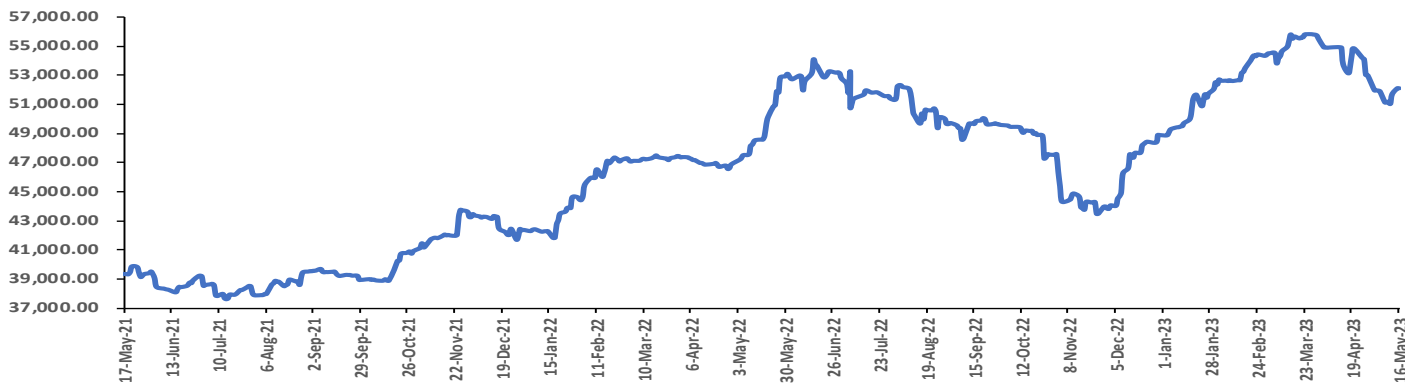
Source: NGX, AICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CWG	1.69	-0.18	↓ -9.63%
COURTVILLE	0.43	-0.03	↓ -6.52%
ARDOVA	24.80	-1.60	↓ -6.06%
GLAXOSMITH	6.50	-0.30	↓ -4.41%
ROYALEX	0.48	-0.02	↓ -4.00%

Source: NGX, AICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.36%	↑ 0.41%	↑ 0.03%	↑ 2.28%
NSE Banking Index	↑ 1.10%	↑ 2.22%	↑ 5.31%	↑ 10.49%
NSE Insurance Index	→ 0.00%	↑ 2.25%	↑ 2.85%	↑ 8.76%
NSE Industrial Goods Index	↑ 0.06%	↓ -3.19%	↓ -3.20%	↓ -1.43%
NSE Consumer Goods Index	↑ 0.85%	↑ 1.98%	↑ 1.80%	↑ 27.25%
NSE Oil & Gas Index	↓ -0.72%	↑ 7.77%	↑ 9.76%	↑ 19.19%

**NSE All Share Index**



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