

Daily Financial Market Update



www.aicocapital.com f t in @ /aicocapitalng

MARKET COMMENTARY

Money Market

Due to the bond auction settlement today, the Opening System liquidity declined to c. ₦201.37billion short, compared with the opening balance of ₦34.77 billion long recorded yesterday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) expanded by 450bps and 412bps to 17.88% and 18.25% respectively. **We expect the interbank rates to stay elevated tomorrow.**

Treasury Bills

The treasury bills closed on a bearish note today, with offers seen across several papers, particularly on August 2023, November 2023, and May 2024. The session closed with average yield of 6.57%, depicting 34bps higher compared to yesterday's rate. **The bearish trend s expected to extend into tomorrow's session.**

FGN Bonds

The local bonds market started with a mixed-to-bearish posture across selected papers, including 2028, 2032, 2037, 2042, 2049 and 2050 papers. Shortly before the closing bell, we noticed increased buying interests particularly on 2028, 2042 and 2050 papers, which pulled average yield lower by 3bps at the end of the session, to settle at 14.13%. **We expect activity to improve tomorrow as selected frequently traded papers have been priced at a closed range with regards to market bids and offers**

Eurobonds

The Eurobonds market traded bearish today, as sell interests were seen across board. Although, Ghana Eurobonds market continued to trend higher with the recent positive update from IMF. Thus, average yield increased by 6bps to 12.53%. **We expect jitters for tomorrow's session to be mostly cantered around speeches by some Fed officials.**

Macro Indicators	
GDP (Q4 2022)	+3.52% (Q3 2022: +2.25% y/y)
Inflation	22.22% (Mar'23: 22.04%)
External Reserve (US\$'billion)	35.19 (-5.10% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*75.21(+0.40% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	17-May-23	16-May-23	Change in Rates
22 days	5.50%	5.50%	(0.00%)
176 days	4.50%	4.50%	(0.00%)
330 days	7.61%	7.61%	(0.00%)

Source: FMDQ DQL for 17 May 2023

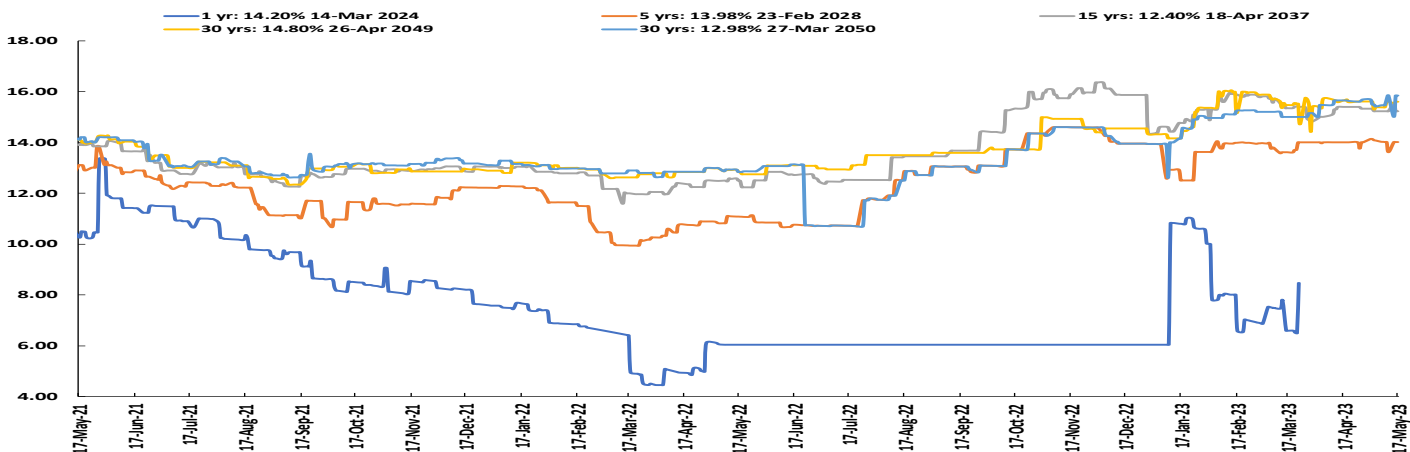
Benchmark FGN Bond Yields			
	17-May-23	16-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.66%	12.72%	+0.06%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.67%	15.67%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.79%	15.73%	(0.06%)

Source: FMDQ DQL for 17 May 2023

Benchmark FGN Eurobond Yields			
	17-May-23	16-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.23%	6.24%	+0.01%
5 yrs: NGERIA 6 1/2 11/28/27	12.41%	12.28%	(0.13%)
10 yrs: NGERIA 7.875 02/16/32	12.89%	12.80%	(0.09%)
15 yrs: NGERIA 7.696 23/02/38	13.01%	12.95%	(0.06%)
30 yrs: NGERIA 9.248 01/21/49	13.04%	12.98%	(0.06%)
7.125% ECOTRAN 16/02/26	14.00%	13.99%	(0.01%)

Source: FBN UK Runs for 17 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) gained c.0.31% to close at 52,580.86 points, while year-to-date return settled at c 2.59%. Observably, buying interest in NB (9.63%), and GTCO (4.18%) drove the upward trend recorded today.

The NGX Banking, Consumer Goods and Oil & Gas Indices appreciated in value today by 0.96%, 1.09% and 0.49%, respectively. However, the NGX Industrial Goods Index depreciated in value by 0.10%. FIDELITYBK led the volume charts with c. 254.05 million units while GTCO led the value charts with c. ₦ 1.57 billion.

We expect the bullish sentiment to persist in the interim.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦465.13/US\$1.00 from ₦464.67/US\$1.00 recorded yesterday.

We expect the NAFEX rate to hover at similar levels tomorrow.

Commodities

Oil prices increased today, as it shrugged off negative jitters across the global economy, particularly China's demand worries. As of report time, Brent oil prices appreciated by c. 0.69% to \$75.43 per barrel in intraday trade, while WTI depreciated by c 0.72% day-on-day to settle at US\$71.37pb. Alternatively, Spot Gold depreciated by c. 0.28% day-on-day to close at US\$1,987.40 per ounce as of report time. **We expect Oil prices to cling around similar levels tomorrow, pending any significant drivers**

AIICO Money Market Fund (AMMF)

Net Yield (As at 16th May 2023)	12.7655%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
MRS	37.10	3.35	↑ 9.93%
NB	38.70	3.40	↑ 9.63%
CORNERST	0.81	0.07	↑ 9.46%
FTNCOCOA	0.37	0.03	↑ 8.82%
ROYALEX	0.52	0.04	↑ 8.33%

Source: NGX, AIICO Capital

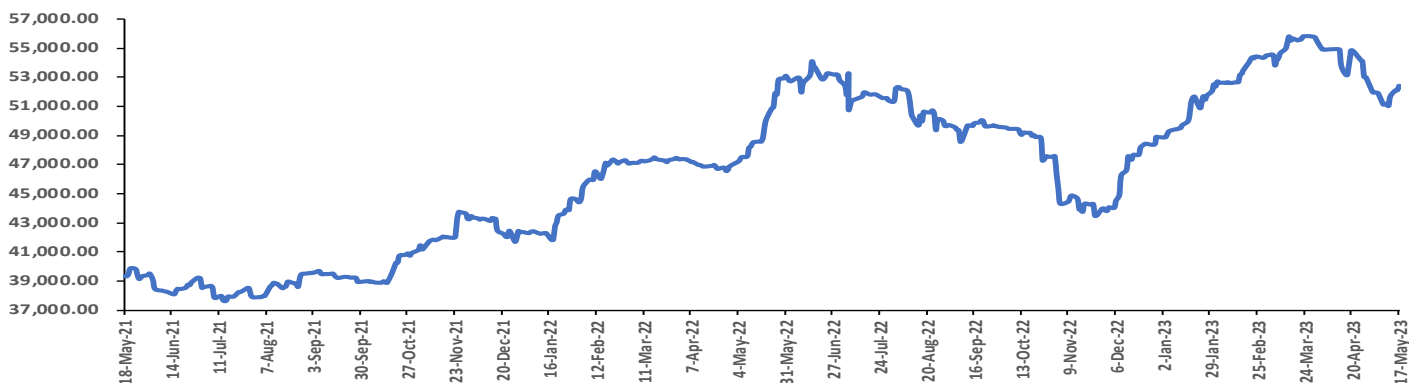
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CHIPLC	0.60	-0.05	↓ -7.69%
SOVRENINS	0.43	-0.03	↓ -6.52%
TRANSCORP	2.90	-0.16	↓ -5.23%
CAVERTON	1.00	-0.05	↓ -4.76%
WAPIC	0.43	-0.02	↓ -4.44%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.31%	↑ 0.71%	↑ 2.59%
NSE Banking Index	↑ 0.96%	↑ 3.20%	↑ 11.56%
NSE Insurance Index	→ 0.00%	↑ 2.25%	↑ 8.76%
NSE Industrial Goods Index	↓ -0.10%	↓ -3.29%	↓ -1.53%
NSE Consumer Goods Index	↑ 1.09%	↑ 3.10%	↑ 28.64%
NSE Oil & Gas Index	↑ 0.49%	↑ 8.30%	↑ 19.78%

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.