

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity remained negative at c. ₦67.21 billion short, compared with the negative opening balance of ₦201.37 billion recorded yesterday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 38bps and 12bps to 17.50% and 18.13% respectively. **We expect the interbank rates to remain at its elevated levels tomorrow.**

Treasury Bills

The treasury bills market extended its bearish performance today, with sell interests across the mid-to-long end of the curve, notably October papers, with scarce buyers in the market. Thus, average yield soared by 36bps to 6.93%. **The bearish posture is expected to re-emerge tomorrow.**

FGN Bonds

The local bonds market traded sideways today, with bids and offers seen across the 2028, 2037, 2042 and 2050 papers. Overall, activity was less active, as average yield remained at 14.13%. **We expect tomorrow's session to trade on a calm note, in the absence of any jitters.**

Eurobonds

Finally, the long-discussed \$3bn Extended Credit Facility (ECF) to Ghana was approved by the IMF today. Following the breakthrough, the positive sentiment spilled over SSA peers in addition to the progressive US debt ceiling discussions, with relieving bullish ride across board. Consequently, average yield repriced lower by 15bps to 12.38%. **We expect the bullish bias to sustain 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)	35.19 (-5.09% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*76.19(-1.00% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	18-May-23	17-May-23	Change in Rates
21 days	5.50%	5.50%	(0.00%)
175 days	6.00%	4.50%	(1.50%)
329 days	7.61%	7.61%	(0.00%)

Source: FMDQ DQL for 18 May 2023

Benchmark FGN Bond Yields

	18-May-23	17-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.65%	12.66%	+0.01%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.55%	15.67%	+0.12%
30 yrs: 12.98% 27-Mar-2050	15.77%	15.79%	+0.02%

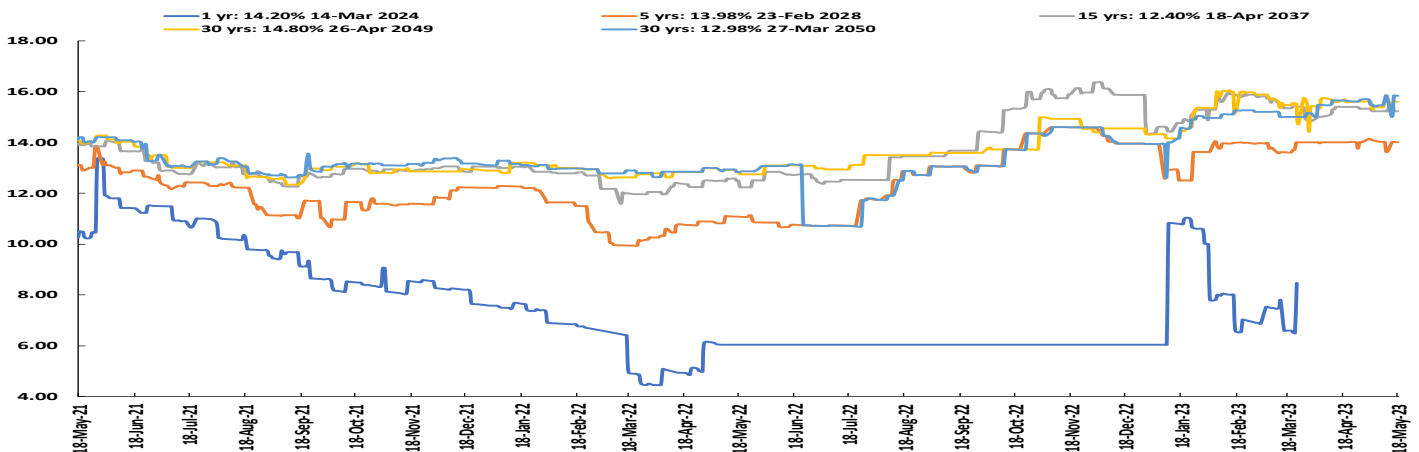
Source: FMDQ DQL for 18 May 2023

Benchmark FGN Eurobond Yields

	18-May-23	17-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	7.12%	6.23%	(0.89%)
5 yrs: NGERIA 6 1/2 11/28/27	12.29%	12.41%	+0.12%
10 yrs: NGERIA 7.875 02/16/32	12.69%	12.89%	+0.20%
15 yrs: NGERIA 7.696 23/02/38	12.88%	13.01%	+0.13%
30 yrs: NGERIA 9.248 01/21/49	12.89%	13.04%	+0.15%
7.125% ECOTRAN 16/02/26	15.04%	14.00%	(1.04%)

Source: FBN UK Runs for 18 May 2023

Benchmark Bond Yields



Aim higher. Reach further ▶

AIICO CAPITAL**Nigerian Equities**

The Nigerian equity market closed on a bearish note today, as the Nigerian Stock Exchange All Share Index (NGX ASI) lost c.0.90% to close at 52,109.43 points, while year-to-date return settled at c 1.67%. Observably, selling interest in AIRTELAFRI (6.00%), TRANSCORP (3.45%), and UBA (1.74%) drove the downward trend recorded today.

The NGX Banking, Consumer Goods and Oil & Gas Indices depreciated in value today by 0.44%, 0.02% and 0.48%, respectively. Similarly, the NGX Industrial Goods Index depreciated in value by 0.01%. ACCESSCORP led the volume charts with c. 64.69 million units while GTCO led the value charts with c. ₦ 1.34 billion

We expect tomorrow's session to trend bearish.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate appreciated to ₦463.00/US\$1.00 from ₦465.13/US\$1.00 recorded yesterday.

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

Commodities

Oil prices fell today, over pessimism on U.S debt ceiling. As of report time, Brent oil prices depreciated by c. 0.68% to \$76.40 per barrel in intraday trade, while WTI depreciated by c 0.51% day-on-day to settle at US\$72.52pb. Similarly, Spot Gold depreciated by c. 1.25% day-on-day to close at US\$1,960.10 per ounce as of report time. **We expect the trend in Oil prices to be attuned to updates from the U.S Congress on the debt ceiling.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 17th May 2023)	12.7351%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
ABCTRANS	0.44	0.04	↑ 10.00%
MRS	40.80	3.70	↑ 9.97%
NPFMCRFBK	1.75	0.15	↑ 9.37%
COURTVILLE	0.47	0.04	↑ 9.30%
TRIPPLEG	2.95	0.25	↑ 9.26%

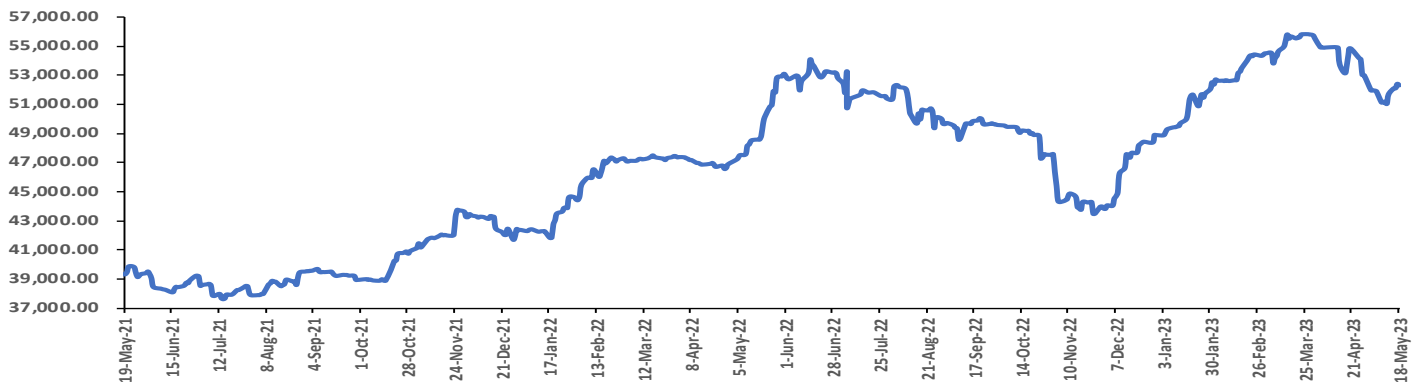
Source: NGX, AIICO Capital

Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
ACADEMY	1.53	-0.17	↓ -10.00%
ARDOVA	22.35	-2.45	↓ -9.88%
MCNICHOLS	0.68	-0.07	↓ -9.33%
HONYFLOUR	2.65	-0.25	↓ -8.62%
REGALINS	0.30	-0.02	↓ -6.25%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -0.90%	↓ -0.10%	↑ 1.67%
NSE Banking Index	↓ -0.44%	↑ 1.82%	↑ 11.06%
NSE Insurance Index	→ 0.00%	↓ -0.77%	↑ 8.76%
NSE Industrial Goods Index	↓ -0.01%	↓ -0.01%	↓ -1.54%
NSE Consumer Goods Index	↓ -0.02%	↑ 1.82%	↑ 28.61%
NSE Oil & Gas Index	↓ -0.48%	↑ 0.64%	↑ 19.20%

NSE All Share Index**Important Disclaimers**

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