

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity increased to c. ₦18.11 billion long, compared with the opening balance of ₦14.55 billion long, recorded last week Friday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) declined to 12.88% and 13.63% respectively. **We expect the interbank rates to cling to similar levels tomorrow, barring any significant flows**

Treasury Bills

The treasury bills market posted a mixed to bullish sentiment in the first half of the session, with most activities domiciled on August 2023 and May 2024 papers. However, market activities reversed to a quiet stance. Nonetheless, average yield fell by 40bps to 6.03%. **We expect the bearish bias to persist tomorrow.**

FGN Bonds

The local bonds market was briefly active in today's session only at mid-day, with mixed sentiments. Notably, we observed most buy interests on the 2028 paper, while sell interest was seen on the 2050 paper. Average yield declined by 2bps to 14.07%. **We expect tomorrow's session to trade quietly, as market anticipates interest decision by the monetary policy committee.**

Eurobonds

The Eurobonds market traded bullish, with slight mixed interest at mid-day. While Angola and Nigeria stood bullish, Ghana papers traded bearish across board. Consequently, average yield declined by 8bps to 12.02%. **We expect the bullish sentiment to continue in the interim.**

Benchmark Bond Yields

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 (-5.14% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*75.65(+0.09% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	22-May-23	19-May-23	Change in Rates
17 days	5.50%	5.50%	(0.00%)
171 days	6.00%	6.00%	(0.00%)
325 days	7.90%	7.90%	(0.00%)

Source: FMDQ DQL for 22 May 2023

Benchmark FGN Bond Yields

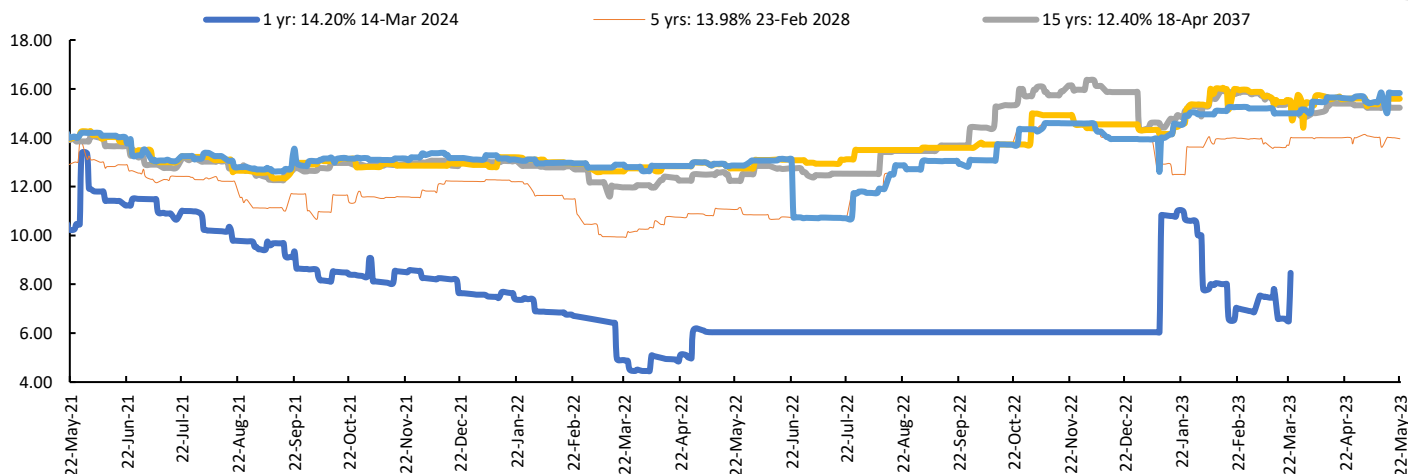
	22-May-23	19-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.45%	12.65%	+0.20%
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.55%	15.55%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.77%	15.77%	(0.00%)

Source: FMDQ DQL for 22 May 2023

Benchmark FGN Eurobond Yields

	22-May-23	19-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.97%	6.23%	(0.74%)
5 yrs: NGERIA 6 1/2 11/28/27	11.67%	11.96%	+0.29%
10 yrs: NGERIA 7.875 02/16/32	12.40%	12.46%	+0.06%
15 yrs: NGERIA 7.696 23/02/38	12.57%	12.64%	+0.07%
30 yrs: NGERIA 9.248 01/21/49	12.65%	12.65%	(0.00%)
7.125% ECOTRAN 16/02/26	13.97%	14.03%	+0.06%

Source: FBN UK Runs for 22 May 2023



Nigerian Equities

The Nigerian equity market closed on a bullish note, as the Nigerian Stock Exchange All Share Index (NGX ASI) gained c.0.35% to close at 52,369.13 points, while year-to-date return settled at c 2.18%. Observably, buying interest in ZENITHBANK (0.45%), and GTCO (0.55%) drove the positive trend today.

The NGX Oil & Gas Index depreciated in value today by 0.64%. However, the NGX Banking, Industrial Goods and Consumer Goods Index appreciated in value by 0.89%, 0.01% and 0.39%, respectively, this week. ZENITHBANK led both the volume and value charts today with c. 53.43 million units and c. ₦ 1.38 billion, respectively

We expect the market to extend its bullish posture tomorrow.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦463.50/US\$1.00 from ₦463.00/US\$1.00 recorded last week. : **We expect the NAFEX rate to hover at similar levels tomorrow.**

Commodities

Oil prices fell on Monday as caution surrounding the discussions surrounding the U.S. debt ceiling and worries about the revival of Chinese demand outweighed support from decreased supplies from Canada and OPEC+ producers. As of report time, Brent oil prices appreciated by c. 0.12% to \$75.67pb, day-on-day, while WTI depreciated by c 0.14% day-on-day to settle at US\$71.45pb. However, Spot Gold depreciated by c. 0.01% day-on-day to close at US\$1,981.40 per ounce as of report time. **We expect Oil Prices to fall as supply concerns are tempered by U.S. debt prudence.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 21st May 2023)	12.7489%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
IKEJAHOTEL	2.23	0.20	↑ 9.85%
ACADEMY	1.68	0.15	↑ 9.80%
PRESTIGE	0.45	0.04	↑ 9.76%
NPFMCRFBK	1.92	0.17	↑ 9.71%
CILEASING	3.51	0.31	↑ 9.69%

Source: NGX, AIICO Capital

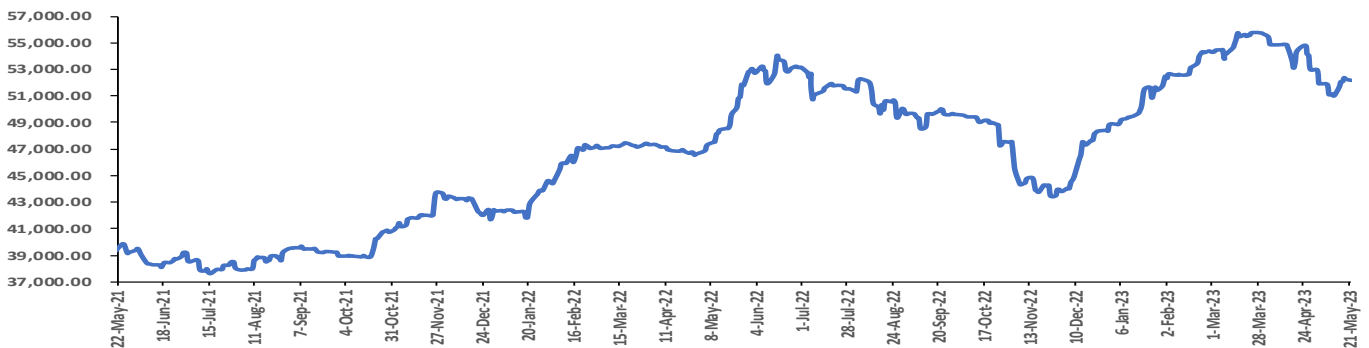
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
NCR	2.79	-0.30	↓ -9.71%
SOVRENINS	0.41	-0.04	↓ -8.89%
NEIMETH	1.39	-0.11	↓ -7.33%
ARDOVA	18.75	-1.40	↓ -6.95%
ROYALEX	0.49	-0.03	↓ -5.77%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.35%	↓ -0.07%	↑ 2.18%
NSE Banking Index	↑ 0.89%	↑ 8.14%	↑ 13.46%
NSE Insurance Index	→ 0.00%	↑ 9.75%	↑ 16.06%
NSE Industrial Goods Index	↑ 0.01%	↓ -3.29%	↓ -1.52%
NSE Consumer Goods Index	↑ 0.39%	↑ 3.20%	↑ 28.99%
NSE Oil & Gas Index	↓ -0.64%	↑ 8.01%	↑ 17.30%

NSE All Share Index



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