

# Daily Financial Market Update

**AIICO CAPITAL**
[www.aicocapital.com](http://www.aicocapital.com)
[f](#) [t](#) [in](#) [@](#) /aicocapitalng

## MARKET COMMENTARY

### Money Market

Opening System liquidity increased to c. ₦382.74 billion long, compared with the opening balance of ₦18.11 billion long, recorded yesterday. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) declined to 11.00 and 11.50% respectively. **We expect the interbank rates to cling to similar levels tomorrow, barring any significant flows.**

### Treasury Bills

The buyside interest lingered in the NTB market, as investors demanded for short-dated papers amid a potential announcement of a hike in monetary policy rate by the MPC and the NTB auction slated for tomorrow. The long end of the curve also witnessed buy interest, but not aggressively. Overall, the average mid-rate closed c.20bps lower to settle at 5.38%. **We expect a quiet session tomorrow, as focus tilts to the MPC meeting and NTB auction where c.N180bn will be offered across the usual tenors.**

### FGN Bonds

The FGN bonds market endured a mixed to bullish theme with most of the interest skewed to 2026, 2028, 2032, 2042 and 2050 papers. However, the executed trades were few and far between. Thus, the average mid-yield dipped by c.18bps to settle at 13.89%. **We anticipate this trend to persist tomorrow, barring any major catalyst.**

### Eurobonds

The Eurobonds space sustained its bullish affair, with sizeable demand recorded across Nigeria and Angola. On the one hand, Ghana and Egypt endured a mixed theme amid the recent hold stance taken by the monetary policy authorities of both countries.

In other news, Nigeria hopes that the operations of the recently commissioned giant Dangote refinery, will help eliminate a \$26 billion foreign-exchange bill on the import of petroleum products and fertilizer

**We expect the buyside activity to linger 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)	35.20 (-5.08% YTD)
Monetary Policy Rate	18.00%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*76.25(+0.34% d/d)

Source: NBS, CBN, AIICO Capital

### Benchmark T-Bills Discount Rates

	23-May-23	22-May-23	Change in Rates
16 days	5.50%	5.50%	(0.00%)
170 days	6.00%	6.00%	(0.00%)
324 days	7.90%	7.90%	(0.00%)

Source: FMDQ DQL for 23 May 2023

### Benchmark FGN Bond Yields

	23-May-23	22-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.55%	12.45%	(0.10%)
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.50%	15.55%	+0.05%
30 yrs: 12.98% 27-Mar-2050	15.77%	15.77%	(0.00%)

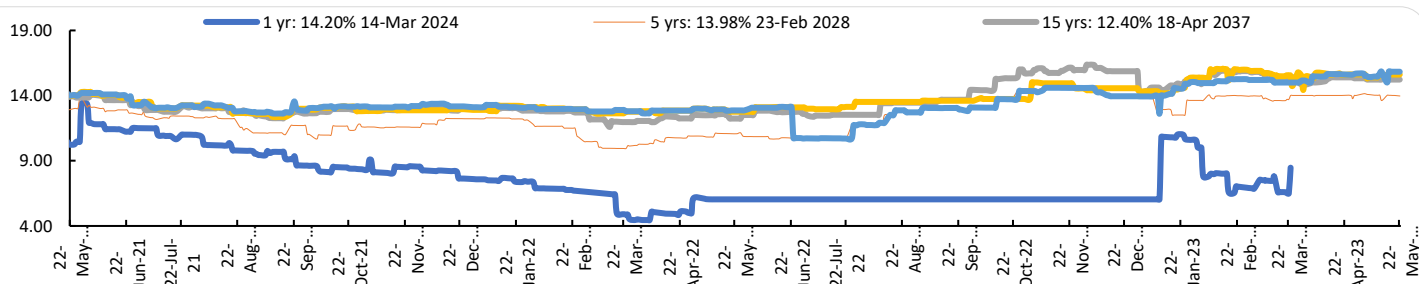
Source: FMDQ DQL for 23 May 2023

### Benchmark FGN Eurobond Yields

	23-May-23	22-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.98%	6.97%	(0.01%)
5 yrs: NGERIA 6 1/2 11/28/27	11.39%	11.67%	+0.28%
10 yrs: NGERIA 7.875 02/16/32	12.20%	12.40%	+0.20%
15 yrs: NGERIA 7.696 23/02/38	12.42%	12.57%	+0.15%
30 yrs: NGERIA 9.248 01/21/49	12.56%	12.65%	+0.09%
7.125% ECOTRAN 16/02/26	13.98%	13.97%	(0.01%)

Source: FBN UK Runs for 23 May 2023

### Benchmark Bond Yields



Aim higher. Reach further ▶

**AIICO CAPITAL**

### Nigerian Equities

The Nigerian equity market closed on a bullish note, as the Nigerian Stock Exchange All Share Index (NGX ASI) gained c.0.48% to close at 52,621.19 points, while year-to-date return settled at c 2.67%. Observably, buying interest in ZENITHBANK (0.55%), and GTCO (0.55%) drove the positive trend today.

The NGX Banking, Industrial Goods, Consumer Goods and Oil & Gas Indices all appreciated in value by 1.55%, 0.02%, 0.35% and 0.04%. respectively. UBA led the volume charts today with c. 62.45million units, while ZENITHBANK led the value charts today with c. ₦ 1.58 billion

**We expect the market to extend its bullish posture tomorrow.**

### Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦464.42/US\$1.00 from ₦463.50/US\$1.00 recorded last week. **We expect the NAFEX rate to hover at similar levels tomorrow.**

### Commodities

Oil prices rose further on Tuesday, with investors expecting a tighter market due to seasonal increases in gasoline demand and production curbs from OPEC+ countries, however concerns about a U.S. debt default limited gain. As of report time, Brent oil prices appreciated by c. 0.34% to \$76.25pb, day-on-day, while WTI appreciated by c 0.36% day-on-day to settle at US\$72,31pb. However, Spot Gold depreciated by c. 0.66% day-on-day to close at US\$1,964.20 per ounce as of report time. **We expect Oil Prices to rise due to increase in demand for gasoline and tighter supplies.**

### AIICO Money Market Fund (AMMF)

Net Yield (As at 22nd May 2023)	12.7484%
Added Benefit	Personal accident insurance cover

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
TRANSCORP	2.64	0.26	↑ 9.85%
TRIPPLEG	2.95	0.29	↑ 9.83%
UNILEVER	13.40	1.30	↑ 9.70%
UPL	1.87	0.18	↑ 9.63%
CHAMS	0.32	0.03	↑ 9.37%

Source: NGX, AIICO Capital

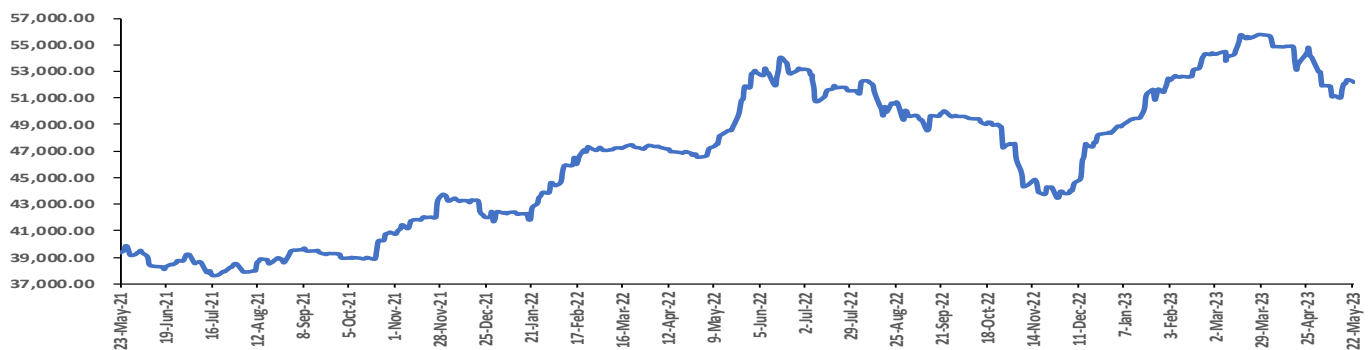
### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CHELLARAM	1.63	-0.18	↓ -9.94%
SUNUASSUR	0.48	-0.05	↓ -9.43%
CILEASING	3.20	-0.31	↓ -8.83%
JAPAUFGOLD	0.33	-0.02	↓ -5.71%
CADBURY	16.40	-0.95	↓ -5.48%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑0.48%	↑ 0.39%	↑ 0.42%	↑ 2.67%
NSE Banking Index	↑1.55%	↑ 4.28%	↑ 9.81%	↑ 15.22%
NSE Insurance Index	↓-0.01%	↑ 4.79%	↑ 11.22%	↑ 17.61%
NSE Industrial Goods Index	↑0.02%	↓ -0.08%	↓ -3.27%	↓ -1.50%
NSE Consumer Goods Index	↑0.35%	↑ 1.72%	↑ 3.55%	↑ 29.44%
NSE Oil & Gas Index	↑0.04%	↓ -1.55%	↑ 8.06%	↑ 17.35%

### 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.