

Daily Financial Market Update

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AIICO CAPITAL

MARKET COMMENTARY

Money Market

Opening System liquidity increased to c. ₦531.32 billion long, compared with the opening balance of ₦382.74 billion long, recorded yesterday. This was bolstered by FAAC inflows. Consequently, the Open Repo Rate (OPR) increased to 11.13 and Overnight Rate (O/N) remained the same at 11.50%. **We expect the interbank rates to cling to similar levels tomorrow, barring any significant flows.**

Treasury Bills

Ahead of the treasury bills auction, the treasury bills market was mostly quiet, even as offers improved with high rates across the curve. However, following the release of the NTB result where there was a decline in stop rates across all tenors, the 1-year paper saw demand at 7.30% level but eventually traded at sub 7.20%. Thus, average mid-rate yield printed at 5.40%. **We expect sustained buyside activity tomorrow due to the decline in stop-rates at the primary market today.**

FGN Bonds

The local bonds market traded mixed to bullish today, with most cares skewed to the short and long end of the curve, especially 2026, 2028, 2037 and 2050 papers. The latter witnessed a late rally, with most trades recorded between 15.73% and 15.76%. Although, market exhibited slight caution, as players anticipated the outcome of the MPC meeting (The CBN increased the benchmark interest rate by 50bps to 18.50%). Overall, average yield declined by 22bps to 13.85%. **We expect to see a mixed session tomorrow.**

Eurobonds

The SSA curve was flooded with bearish sentiment, as sell interests were seen across board. The bearish bias lasted all through today's session as players anticipate the release of FOMC minutes by the Fed later this evening. Consequently, average yield increased by 9bps to 11.89%.

Noteworthy updates today are UK's inflation falling to 8.7% year-on-year in April 2023 due to a sharp slowdown in electricity and gas prices, Angola's removal of \$3.5 Billion fuel subsidy and the less impressive growth numbers from Nigeria. **We expect tomorrow's session to be tossed by the FOMC minutes which would be released by 7pm WAT today**

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 (-5.11% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*77.63(+1.03% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	24-May-23	23-May-23	Change in Rates
15 days	5.50%	5.50%	(0.00%)
169 days	6.00%	6.00%	(0.00%)
323 days	7.90%	7.90%	(0.00%)

Source: FMDQ DQL for 24 May 2023

Benchmark FGN Bond Yields

	24-May-23	23-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.55%	12.55%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.61%	15.50%	(0.11%)
30 yrs: 12.98% 27-Mar-2050	15.77%	15.77%	(0.00%)

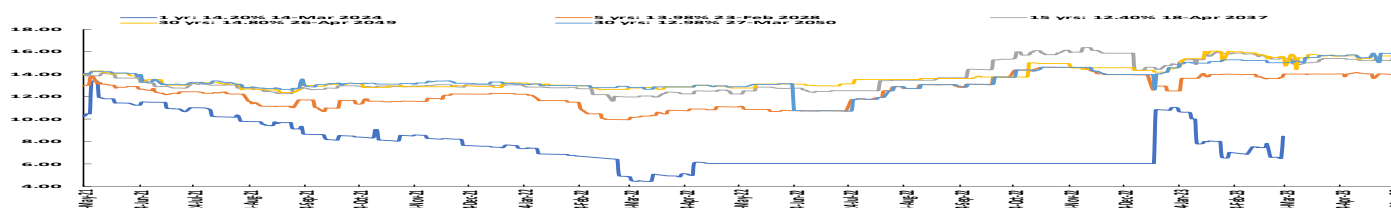
Source: FMDQ DQL for 24 May 2023

Benchmark FGN Eurobond Yields

	24-May-23	23-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.23%	6.98%	+0.75%
5 yrs: NGERIA 6 1/2 11/28/27	11.47%	11.39%	(0.08%)
10 yrs: NGERIA 7.875 02/16/32	12.29%	12.20%	(0.09%)
15 yrs: NGERIA 7.696 23/02/38	12.60%	12.42%	(0.18%)
30 yrs: NGERIA 9.248 01/21/49	12.65%	12.56%	(0.09%)
7.125% ECOTRAN 16/02/26	14.11%	13.98%	(0.13%)

Source: FBN UK Runs for 24 May 2023

Benchmark Bond Yields



Nigerian Equities

The Nigerian equity market closed on a bullish note, as the Nigerian Stock Exchange All Share Index (NGX ASI) gained c.0.58% to close at 52,927.60 points, while year-to-date return settled at c 3.27%. Observably, buying interest in ACCESSCORP (0.65%), and UBA (0.30%) drove the positive trend today.

The NGX Banking, Industrial Goods, Consumer Goods and Oil & Gas Indices all appreciated in value by 1.06%, 0.23%, 2.07% and 2.54% respectively. ACCESSCORP led the volume charts today with c. 69.19 million units, while SEPLAT led the value charts today with c. ₦ 1.84 billion. **We expect the market to extend its bullish posture tomorrow.**

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate appreciated to ₦463.33/US\$1.00 from ₦464.42/US\$1.00 recorded last week. **We expect the NAFEX rate to hover at similar levels tomorrow.**

Commodities

Oil prices rose on Wednesday as US oil and fuel supplies tightened and the Saudi energy minister's warning to speculators boosted the potential of additional OPEC+ output restrictions. As of report time, Brent oil prices appreciated by c. 1.03% to \$77.63pb, day-on-day, while WTI appreciated by c 0.36% day-on-day to settle at US\$73.78pb. Spot Gold appreciated by c. 0.30% day-on-day to close at US\$1,980.40per ounce as of report time. **We expect Oil Prices to rise due to supply concerns.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 23rd May 2023)	12.7161%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
NESTLE	1148.00	104.20	↑ 9.98%
TRIPPLEG	3.56	0.32	↑ 9.88%
UACN	9.00	0.80	↑ 9.76%
UPL	2.25	0.20	↑ 9.76%
RTBRISCOE	0.34	0.03	↑ 9.68%

Source: NGX, AIICO Capital

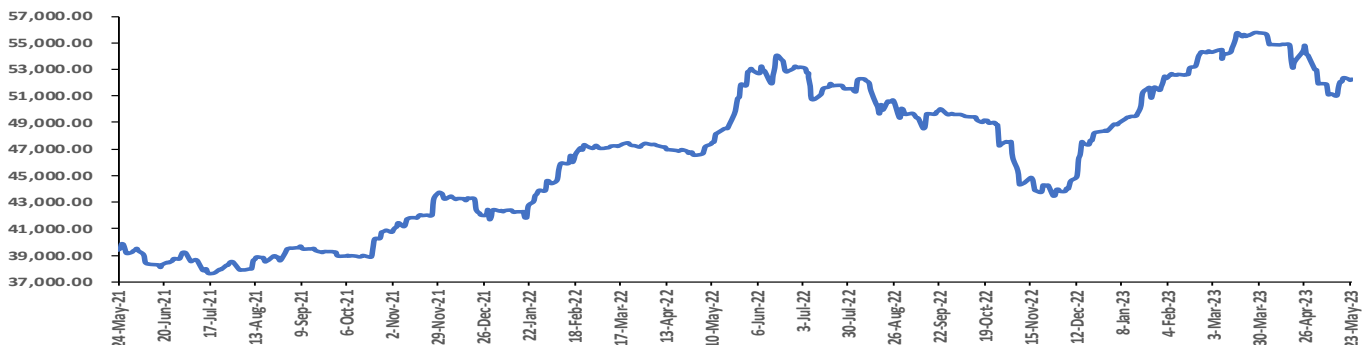
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CHELLARAM	1.47	-0.16	↓ -9.82%
MCNICHOLS	0.66	-0.07	↓ -9.59%
WAPIC	0.42	-0.04	↓ -8.70%
ACADEMY	1.56	-0.12	↓ -7.14%
ARDOVA	181.15	-0.60	↓ -3.20%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.58%	↑ 0.66%	↑ 1.00%	↑ 3.27%
NSE Banking Index	↑ 1.06%	↑ 4.38%	↑ 10.97%	↑ 16.44%
NSE Insurance Index	↓ -0.10%	↑ 4.19%	↑ 11.11%	↑ 17.49%
NSE Industrial Goods Index	↑ 0.23%	↑ 0.26%	↓ -3.04%	↓ -1.27%
NSE Consumer Goods Index	↑ 2.07%	↑ 2.70%	↑ 5.70%	↑ 32.12%
NSE Oil & Gas Index	↑ 2.54%	↑ 0.46%	↑ 10.80%	↑ 20.33%

NSE All Share Index



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