

# Daily Financial Market Update

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## MARKET COMMENTARY

### Money Market

Opening System liquidity decreased to c. ₦278.44 billion long, compared with the opening balance of ₦489.03 billion long, recorded yesterday. Consequently, both the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased to 12.75% and 13.25% respectively. **We expect the interbank rates to inch upwards next week.**

### Treasury Bills

The treasury bills market witnessed a quiet theme to end the week, albeit there were a couple of trades executed across August 2023, November 2023, March 2024 and May 2024 papers. Overall, the average mid-rate closed at 4.90%. **We expect a mixed theme next week, amid month-end bookkeeping.**

### FGN Bonds

The local bonds market extended its mixed performance today, with interests across several papers including the 2026, 2027, 2049 and 2050 maturities. Thus, the average yield declined by 3bps to 13.81%. **we expect similar trend in tomorrow's session.**

### Eurobonds

The Eurobonds market closed on a bearish mode today, with selling interests across the curve. Market was also jittered by the U.S core PCE Index which printed at 0.4% in April, higher than 0.3% estimate. As a result, average yield increased by 6bps to 11.69%. **We expect a similar play next week.**

#### 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 (-5.13% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*76.09-0.22% d/d)

Source: NBS, CBN, AIICO Capital

#### Benchmark T-Bills Discount Rates

	26-May-23	25-May-23	Change in Rates
13 days	5.50%	5.50%	(0.00%)
167 days	6.00%	6.00%	(0.00%)
321 days	7.90%	7.90%	(0.00%)

Source: FMDQ DQL for 26 May 2023

#### Benchmark FGN Bond Yields

	26-May-23	25-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	15.45%	15.45%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.66%	15.66%	(0.00%)

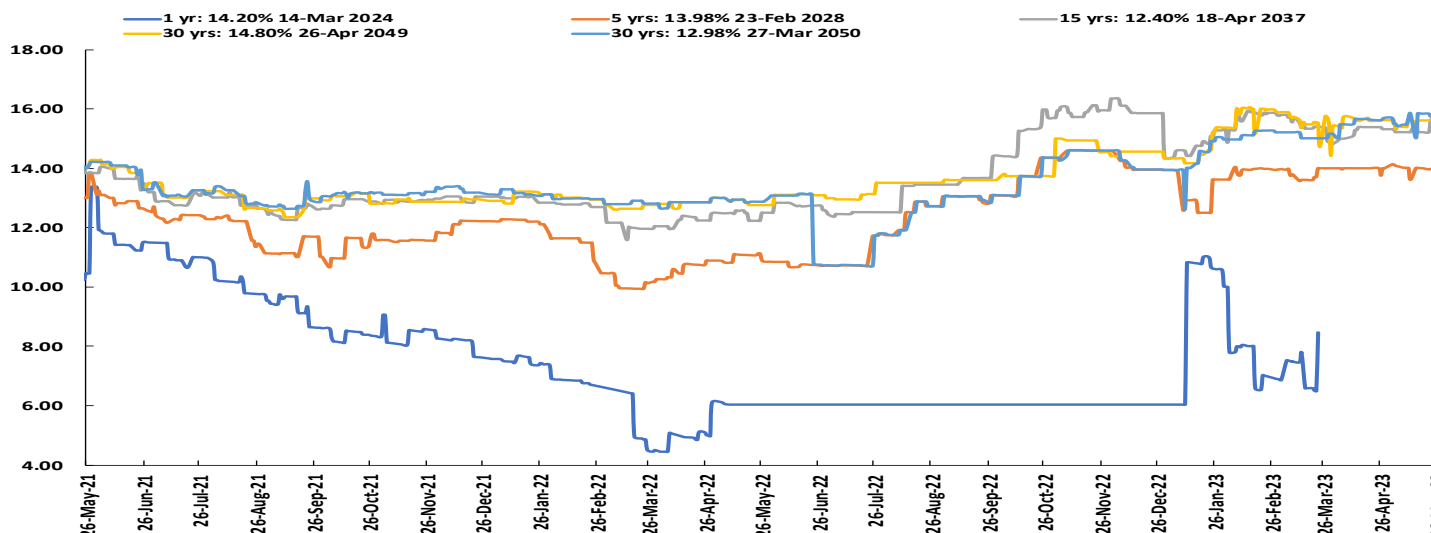
Source: FMDQ DQL for 26 May 2023

#### Benchmark FGN Eurobond Yields

	26-May-23	25-May-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.22%	6.22%	(0.00%)
5 yrs: NGERIA 6 1/2 11/28/27	11.12%	11.12%	(0.00%)
10 yrs: NGERIA 7.875 02/16/32	12.10%	12.10%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	12.37%	12.37%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	12.46%	12.46%	(0.00%)
7.125% ECOTRAN 16/02/26	14.07%	14.07%	(0.00%)

Source: FBN UK Runs for 26 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.0.29% to close at 52,973.88 points, while year-to-date return settled at c 3.36%. Observably, buying interest in MTNN (1.3%), and ZENITHBANK (0.25%) drove the positive trend today.

The NGX Banking, Consumer Goods and Oil & Gas Indices all appreciated in value by 2.14%, 0.41% and 1.05% respectively. However, the Industrial Goods Index depreciated in value today by 0.88%. UBA led the volume charts today with c. 59.41 million units, while MTNN led the value charts today with c. ₦ 1.55 billion. **We expect the bullish posture to linger next week**

### Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦464.51/US\$1.00 from ₦463.67/US\$1.00 recorded yesterday. **We expect the NAFEX rate to hover at similar levels next week.**

### Commodities

Oil prices fell in early Friday trade, pulled down by mixed messages from Russia and Saudi Arabia ahead of the upcoming OPEC+ policy meeting, as well as a stronger dollar. As of report time, Brent oil prices depreciated by c. 0.22% to \$76.09pb, day-on-day, while WTI depreciated by c 0.10% day-on-day to settle at US\$71.76pb. Spot Gold appreciated by c. 0.62% day-on-day to close at US\$1,955.80per ounce as of report time. **We expect Oil prices to decline because of contradicting OPEC+ and Russia statements, as well as appreciation of the Dollar.**

#### AIICO Money Market Fund (AMMF)

Net Yield (As at 25th May 2023)	12.0717%
Added Benefit	Personal accident insurance cover

#### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
NASCON	15.40	1.40	↑ 10.00%
CONOIL	47.95	4.35	↑ 9.98%
NEM	4.75	0.43	↑ 9.95%
FTNCOCOA	0.68	0.06	↑ 9.68%
NCR	3.06	0.27	↑ 9.68%

Source: NGX, AIICO Capital

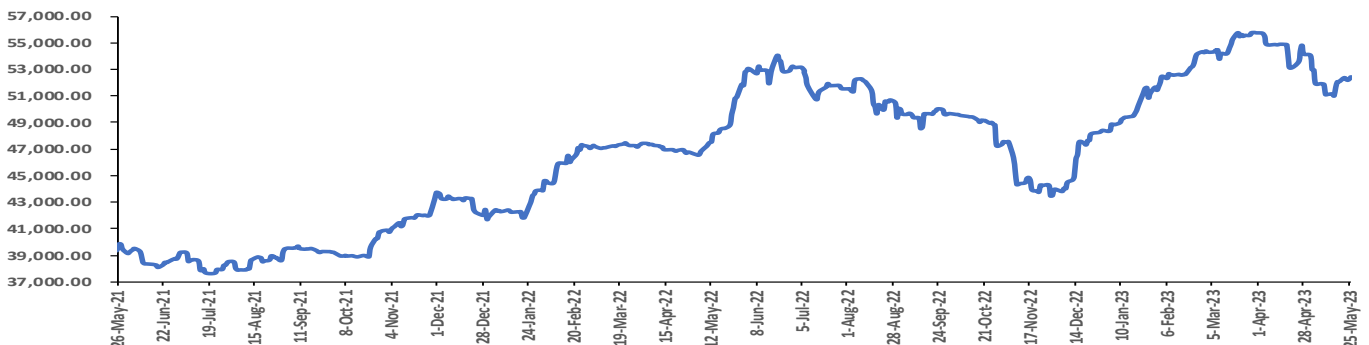
#### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
SOVRENINS	0.36	-0.03	↓ -7.69%
MBENEFIT	0.34	-0.02	↓ -5.56%
NGXGROUP	27.35	-1.15	↓ -4.04%
ROYALEX	0.48	-0.02	↓ -4.00%
TANTALIZER	0.25	-0.01	↓ -3.85%

Source: NGX, AIICO Capital

		W-o-W	MTD	YTD
NGX ASI	↑ 0.29%	↑ 1.51%	↑ 1.09%	↑ 3.36%
NSE Banking Index	↑ 2.14%	↑ 5.63%	↑ 13.22%	↑ 18.80%
NSE Insurance Index	↑ 2.40%	↑ 3.59%	↑ 13.69%	↑ 20.22%
NSE Industrial Goods Index	↓ -0.88%	↓ -0.70%	↓ -3.97%	↓ -2.22%
NSE Consumer Goods Index	↑ 0.41%	↑ 3.10%	↑ 5.99%	↑ 32.48%
NSE Oil & Gas Index	↑ 1.05%	↑ 3.24%	↑ 12.23%	↑ 21.88%

### NSE All Share Index



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