

Daily Financial Market Update



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MARKET COMMENTARY

Money Market

Opening System liquidity decreased to c. ₦114.79 billion long, compared with the opening balance of ₦229.11 billion long, recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) both declined by 100bps to 11.75% and 12.25%, respectively. **We expect the interbank rates to maintain similar levels tomorrow.**

Treasury Bills

The treasury bills market endured a quiet session, albeit with a bullish undertone, as most players focused on month-end bookkeeping. Only a handful of trades were executed across the mid and long dated papers. Overall, the average mid-rate closed at c.5.14%. **We envisage the new month to start with a bullish bias.**

FGN Bonds

Activity in the FGN bonds market was relatively muted, with pockets of trades witnessed across the 2028, 2037, 2042 and 2050 papers. Thus, the average mid-yield declined by 3bps to settle at 13.71%. **We expect the positive sentiment to resurface tomorrow.**

Eurobonds

The Eurobonds market gulped yesterday's gains, with selling interest across the curve on Nigeria's papers and its SSA peers. This was fuelled by month-end profit taking by investors. Overall, the Average yield increased by 5bps to 11.22%. **We expect the bearish sentiment to ease 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) | 35.15 (-5.22% YTD) |
| Monetary Policy Rate | 18.50% |
| Cash Reserve Requirement (CRR) | 32.50% |
| Brent Crude Price US\$/bbl | *72.08(-1.03% d/d) |

Source: NBS,CBN, AIICO Capital

| Benchmark T-Bills Discount Rates | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 31-May-23 | 30-May-23 | Change in Rates |
| 8 days | 3.23% | 5.50% | +2.27% |
| 162 days | 5.27% | 6.00% | +0.73% |
| 316 days | 7.31% | 7.31% | (0.00%) |

Source: FMDQ DQL for 31 May 2023

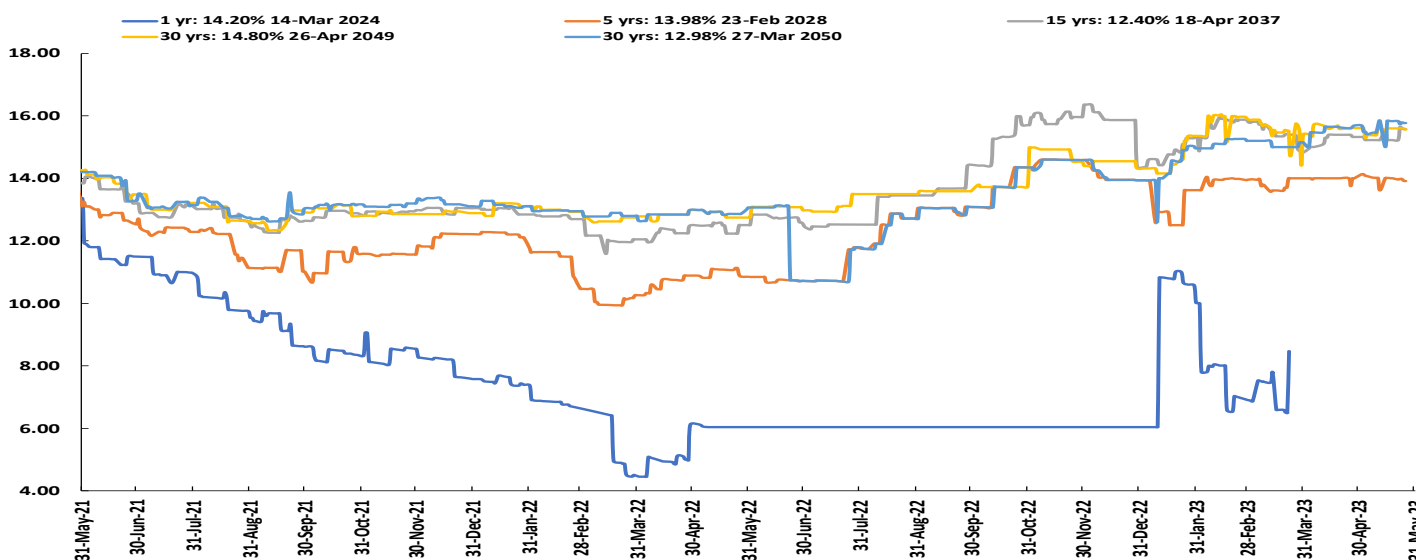
| Benchmark FGN Bond Yields | | | |
|-----------------------------|-----------|-----------|-----------------|
| | 31-May-23 | 30-May-23 | Change in Yield |
| 5 yrs: 16.2884% 17-Mar-2027 | 12.53% | 12.54% | +0.01% |
| 10 yrs: 12.50% 27-Apr-2032 | 14.90% | 14.90% | (0.00%) |
| 20 yrs: 13.00% 21-Jan-2042 | 15.27% | 15.50% | +0.23% |
| 30 yrs: 12.98% 27-Mar-2050 | 15.63% | 15.55% | (0.08%) |

Source: FMDQ DQL for 31 May 2023

| Benchmark FGN Eurobond Yields | | | |
|-------------------------------|-----------|-----------|-----------------|
| | 31-May-23 | 30-May-23 | Change in Yield |
| 1 yr: NGERIA 6 3/8 07/12/23 | 6.22% | 4.07% | (2.15%) |
| 5 yrs: NGERIA 6 1/2 11/28/27 | 10.73% | 10.53% | (0.20%) |
| 10 yrs: NGERIA 7.875 02/16/32 | 11.71% | 11.66% | (0.05%) |
| 15 yrs: NGERIA 7.696 23/02/38 | 12.11% | 12.01% | (0.10%) |
| 30 yrs: NGERIA 9.248 01/21/49 | 12.23% | 12.15% | (0.08%) |
| 7.125% ECOTRAN 16/02/26 | 13.21% | 13.51% | +0.30% |

Source: FBN UK Runs for 31 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.0.06% to close at 55,769.28 points, while year-to-date return settled at c 8.82%. Observably, buying interest in CONOIL (9.96%), and 40.8 (9.93%) drove the positive trend today.

The NGX Oil & Gas and Consumer Goods Indices appreciated in value by 1.63% and 2.08% respectively. While NGX Banking and Industrial Goods Indices depreciated by 2.46%, and 2.52%, respectively. ACCESSCORP led both the volume charts with c. 98.73 million units while GEREGU led the value charts c. ₦ 9.76 billion. **We expect the bullish sentiment to persist tomorrow.**

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦464.67/US\$1.00 from ₦464.50/US\$1.00 recorded last week yesterday. **We expect the NAFEX rate to hover at similar levels tomorrow.**

Commodities

Oil prices fell today on the back of a stronger U.S. dollar alongside weak data from top oil importer China, raised demand fears. As of report time, Brent oil prices depreciated by c. 0.99% to \$72.89pb, day-on-day, while WTI depreciated by c 0.56% day-on-day to settle at US\$69.07pb. Spot Gold appreciated by c. 0.50% day-on-day to close at US\$1,967.70per ounce as of report time. **We expect jitters on U.S. debt negotiations to continue to impact Oil prices tomorrow.**

| AIICO Money Market Fund (AMMF) | |
|---------------------------------|-----------------------------------|
| Net Yield (As at 30th May 2023) | 12.1215% |
| Added Benefit | Personal accident insurance cover |

| Top 5 Equity Advancers | | | |
|------------------------|---------------|---------|----------|
| Name (Symbol) | Closing Price | Gain(N) | % Change |
| VERITASKAP | 0.22 | 0.02 | ↑ 10.00% |
| MCNICHOLS | 0.77 | 0.07 | ↑ 10.00% |
| JAIZBANK | 1.21 | 0.11 | ↑ 10.00% |
| CONOIL | 57.95 | 5.25 | ↑ 9.96% |
| MRS | 44.85 | 4.05 | ↑ 9.93% |

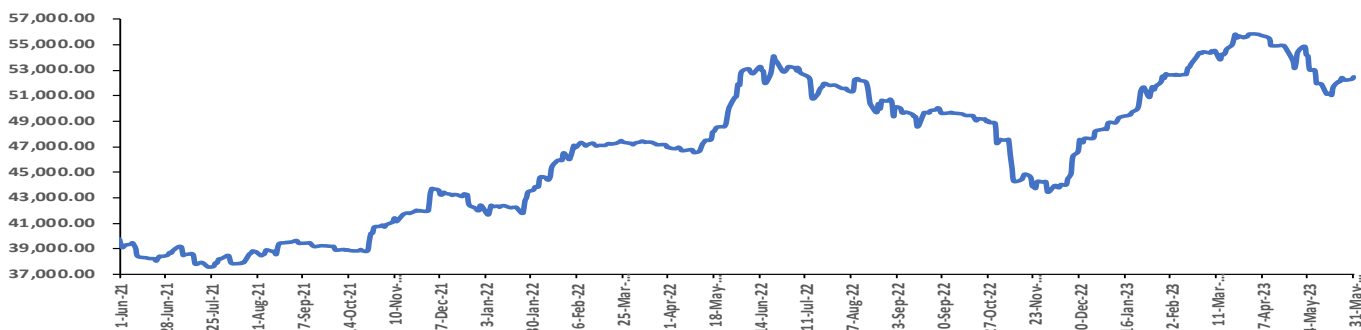
Source: NGX, AIICO Capital

| Top 5 Equity Decliners | | | |
|------------------------|---------------|---------|----------|
| Name (Symbol) | Closing Price | Loss(N) | % Change |
| NASCON | 15.20 | -1.65 | ↓ -9.79% |
| RTBRISCOE | 0.37 | -0.04 | ↓ -9.76% |
| GLAXOSMITH | 7.55 | -0.80 | ↓ -9.58% |
| CAVERTON | 1.26 | -0.13 | ↓ -9.35% |
| DEAPCAP | 0.20 | -0.02 | ↓ -9.09% |

Source: NGX, AIICO Capital

| | W-o-W | MTD | YTD |
|----------------------------|----------|---------|----------|
| NGX ASI | ↑ 0.06% | ↑ 5.37% | ↑ 6.42% |
| NSE Banking Index | ↓ -2.46% | ↑ 7.67% | ↑ 19.49% |
| NSE Insurance Index | ↓ -2.52% | ↑ 2.04% | ↑ 13.37% |
| NSE Industrial Goods Index | ↓ -0.19% | ↑ 4.87% | ↑ 1.67% |
| NSE Consumer Goods Index | ↑ 2.08% | ↑ 9.00% | ↑ 15.20% |
| NSE Oil & Gas Index | ↑ 1.63% | ↑ 7.10% | ↑ 18.67% |

NSE All Share Index



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