

Daily Financial Market Update



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MARKET COMMENTARY

Money Market

Opening System liquidity improved to c. ₦162.63 billion long, compared with the opening balance of ₦114.79 billion long, recorded yesterday. Consequently, the Open Repo Rate (OPR) fell by 25bps to 11.50%, while the Overnight Rate (O/N) remained at 12.25%. **We expect the interbank rates to cling its current levels tomorrow.**

Treasury Bills

The treasury bills market was quiet today, albeit with mixed sentiments. Few buyside interests were observed on the long end of the curve, especially 23 May 2024 bill at c.7.20%, while mild selling was seen across the short-dated papers. Thus, the average mid-rate settled at 5.30%. **We anticipate the buyside interest to remain at the long end of the curve.**

FGN Bonds

The FGN bonds market was relatively bullish, with mixed action seen across the 2028, 2037, 2042, 2049 and 2050 papers, as investors continue to reassess the yield direction based on recent developments. Overall, the average mid-yield closed c.2bps lower to print at 13.69%. **We expect a muted session tomorrow, albeit with subtle cherry-picking of yields.**

Eurobonds

The Nigerian Eurobonds market traded bullish amid slightly optimistic long-term view as regards the impact of the fuel subsidy removal and reported talks about a possible FX devaluation. The Angola curve also witnessed a bullish theme following the country's announcement to reduce its gasoline subsidy, while the Egypt curve traded bearish, and the Ghana curve stayed flattish. **We expect a mixed session tomorrow, as investors tilt their focus to the US Unemployment and Non-farm payrolls data releases.**

Macro Indicators	
GDP (Q4 2022)	+3.52% (Q3 2022: +2.25% y/y)
Inflation	22.22% (Mar'23: 22.04%)
External Reserve (US\$'billion)	35.09 (-5.36% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*72.53 (-0.10% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	01-Jun-23	31-May-23	Change in Rates
7 days	3.23%	3.23%	(0.00%)
161days	5.27%	5.27%	(0.00%)
315 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 01 June 2023

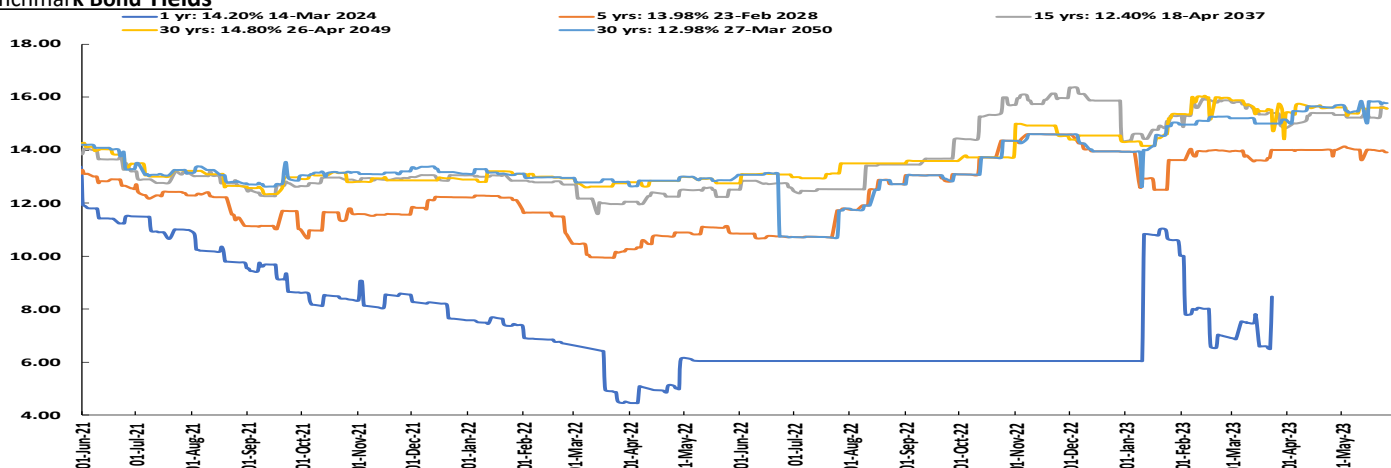
Benchmark FGN Bond Yields			
	01-Jun-23	31-May-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.53%	12.53%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.90%	14.90%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.27%	15.27%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.63%	15.63%	(0.00%)

Source: FMDQ DQL for 01 June 2023

Benchmark FGN Eurobond Yields			
	01-Jun-23	31-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	10.61%	10.73%	+0.12%
10 yrs: NGERIA 7.875 02/16/32	11.61%	11.71%	+0.10%
15 yrs: NGERIA 7.696 23/02/38	11.96%	12.11%	+0.15%
30 yrs: NGERIA 9.248 01/21/49	12.12%	12.23%	+0.11%
7.125% ECOTRAN 16/02/26	12.92%	13.21%	+0.29%

Source: FBN UK Runs for 01 June 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 (9.92%), OKOMUOIL (5.85%) and TOTAL (2.32%) drove the upward trajectory 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. 51.31 million units while ZENITHBANK led the value charts c. ₦ 1.10 billion

We expect the bullish sentiment to persist tomorrow.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate remained at ₦464.67/US\$1.00 today. **We expect the NAFEX rate to hover at similar levels tomorrow.**

Commodities

Oil stabilized today as a potential pause in U.S. interest rate hikes and the passing of a crucial vote on the U.S. debt ceiling bill were offset by a report of rising inventories in the world's biggest oil consumer. As of report time, Brent oil prices depreciated by c. 0.10% to \$72.53pb, day-on-day, while WTI appreciated by c 1.31% day-on-day to settle at US\$68.98pb. Spot Gold appreciated by c. 0.70% day-on-day to close at US\$1,995.50per 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
CONOIL	63.70	5.75 ↑	9.92%
STERLINGNG	2.25	0.20 ↑	9.76%
ETERNA	8.45	0.75 ↑	9.74%
CORNERST	0.85	0.07 ↑	8.97%
MBENEFIT	0.39	0.03 ↑	8.33%

Source: NGX, AIICO Capital

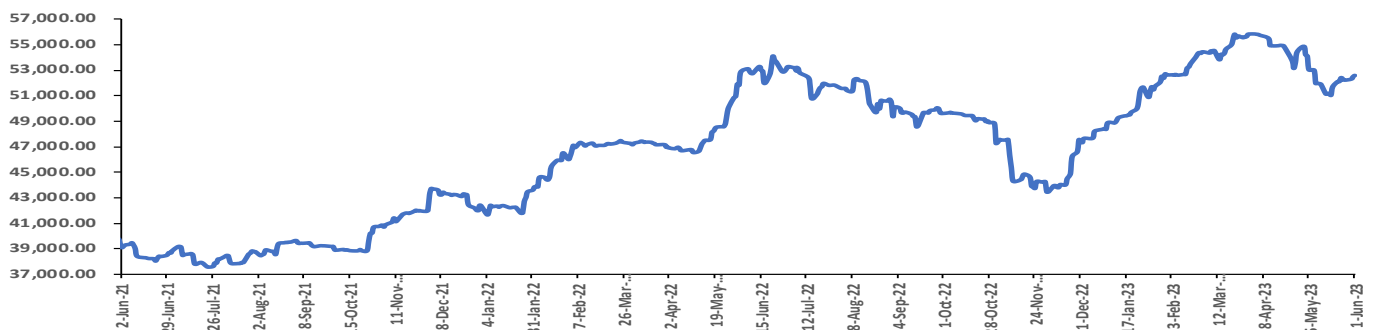
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
FTNCOCOA	0.73	-0.08 ↓	-9.88%
CHAMPION	3.76	-0.40 ↓	-9.62%
MCNICHOLS	0.69	-0.07 ↓	-9.21%
CHAMS	0.45	-0.04 ↓	-8.16%
FIDSON	9.80	-0.73 ↓	-6.93%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.07%	↑ 5.65%	↑ 0.07%
NSE Banking Index	↑ 0.95%	↑ 8.82%	↑ 0.95%
NSE Insurance Index	→ 0.00%	↑ 2.12%	→ 0.00%
NSE Industrial Goods Index	↓ 0.00%	↑ 4.94%	↓ 0.00%
NSE Consumer Goods Index	↓ -0.26%	↑ 8.87%	↓ -0.26%
NSE Oil & Gas Index	↑ 2.27%	↑ 9.28%	↑ 2.27%
			↑ 31.79%

NSE All Share Index



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