

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening System liquidity improved to c. ₦230.13 billion long, compared with the opening balance of ₦162.63 billion long, recorded yesterday. Consequently, the Open Repo Rate (OPR) remained unchanged at 11.50%, while the Overnight Rate (O/N) declined to 11.88%. **We expect the interbank rates to remain at current levels next week.**

Treasury Bills

The treasury bills market was nearly quiet today, although with mixed interests for papers at the long end region, especially 23-May 2024 where bids were seen around 7% levels. **We expect market attention to be centered around the treasury bills auction next week, as the DMO will be offering N182.84bn treasury bills.**

FGN Bonds

The local bonds market was mixed to bullish with most of the action skewed to select maturities: 2026, 2037, 2042, 2049 and 2050s. Bids on the latter dropped by c.6bps as spreads tightened. Overall, the average mid-yield settled at c.13.66%. **We expect the current trend to persist next week, in the absence of any major catalyst.**

Eurobonds

The Eurobonds market continued to enjoy its bullish rally which was triggered by President Tinubu's speech at the inauguration to phase off fuel subsidy in a bid to also manage the debt situation amongst other new economic development. The US employment data was mixed today, as it showed 339k jobs added in May, above 190k estimate and 294k recorded in April. Also, unemployment increased to 3.7% in May, surpassing 3.5% estimate and 3.4% in April. Average yield settled at 10.96%, depicting 22bps decline from yesterday's performance. **We expect the bullish sentiment to sustain its trend next week, as the final approval of US debt ceiling should instigate positive trend 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)	35.09 (-5.36% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*74.93 (+0.88% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	02-Jun-23	01-Jun-23	Change in Rates
97 days	4.44%	4.44%	(0.00%)
160 days	5.27%	5.27%	(0.00%)
314 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 02 June 2023

Benchmark FGN Bond Yields

	02-Jun-23	01-Jun-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	15.58%	15.63%	+0.05%

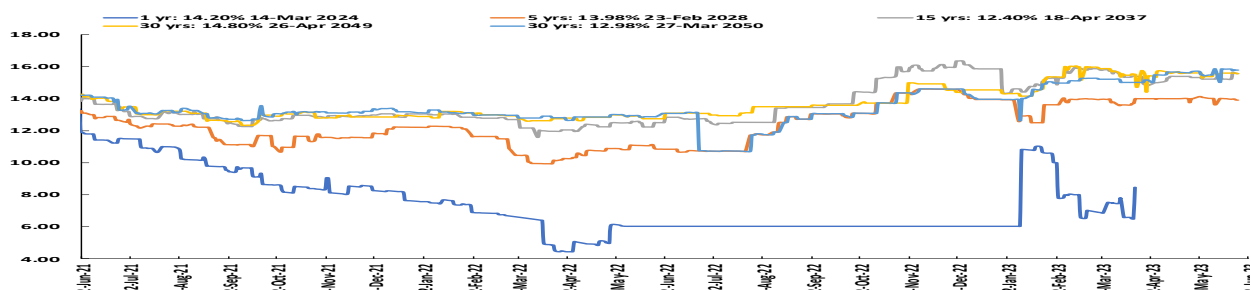
Source: FMDQ DQL for 02 June 2023

Benchmark FGN Eurobond Yields

	02-Jun-23	01-Jun-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	10.42%	10.61%	+0.19%
10 yrs: NGERIA 7.875 02/16/32	11.42%	11.61%	+0.19%
15 yrs: NGERIA 7.696 23/02/38	11.73%	11.96%	+0.23%
30 yrs: NGERIA 9.248 01/21/49	11.89%	12.12%	+0.23%
7.125% ECOTRAN 16/02/26	12.62%	12.92%	+0.30%

Source: FBN UK Runs for 02 June 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.0.03% to close at 55,822.82 points, while year-to-date return settled at c 8.92%. Observably, buying interest in FBNH (0.25%) and ACCESSCORP (0.20%) drove the upward trajectory today.

The NGX Oil & Gas and Consumer Goods Indices appreciated in value by 2.15% and 0.09% respectively. While NGX Banking and Industrial Goods Indices depreciated by 1.55%, and 0.06%, respectively. FBNH led both the volume charts and the value charts with c.102.75million units and c. ₦ 1.40 billion..

We expect the bullish sentiment to persist next week..

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 next week.**

Commodities

Oil prices increased on Friday as markets assessed the potential of price-supportive OPEC+ production cutbacks over the weekend, after the passing of a U.S. debt ceiling resolution in Washington. As of report time, Brent oil prices appreciated by c. 0.88% to \$74.93pb, day-on-day, while WTI appreciated by c 0.93% day-on-day to settle at US\$70.75pb. Spot Gold appreciated by c. 0.10% day-on-day to close at US\$1,997.50per ounce as of report time. **We expect oil prices to soar as Congress passes a bill to raise the US debt ceiling.**

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
STANBIC	44.00	4.00	↑ 10.00%
MRS	49.30	4.45	↑ 9.92%
CONOIL	69.90	6.20	↑ 9.73%
ETERNA	9.25	0.80	↑ 9.47%
PZ	18.50	1.50	↑ 8.82%

Source: NGX, AIICO Capital

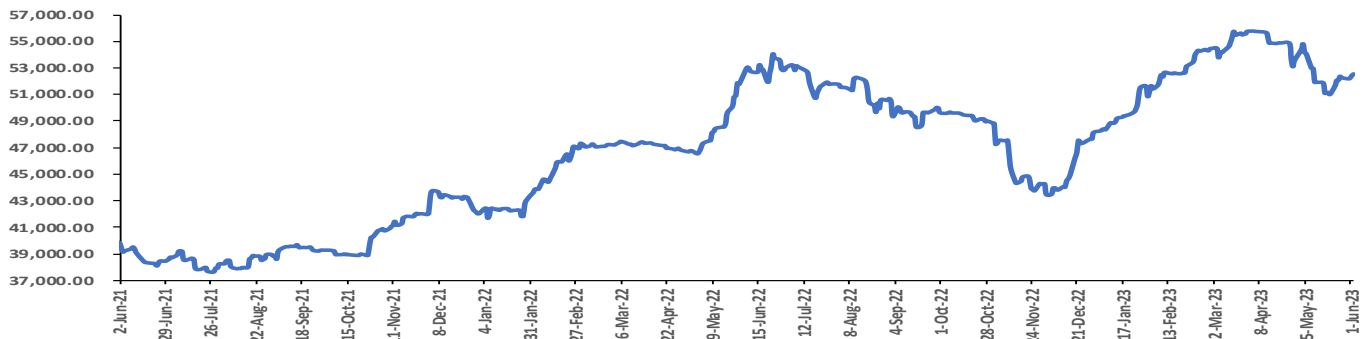
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
FTNCOCOA	0.66	-0.07	↓ -9.59%
UPDC	1.02	-0.10	↓ -8.93%
CHAMS	0.41	-0.04	↓ -8.89%
MBENEFIT	0.36	-0.03	↓ -7.69%
STERLINGNG	2.08	-0.17	↓ -7.56%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.03%	↑ 5.38%	↑ 0.10%
NSE Banking Index	↓ -1.55%	↑ 4.89%	↓ -0.62%
NSE Insurance Index	→ 0.00%	↓ -0.28%	→ 0.00%
NSE Industrial Goods Index	↓ -0.06%	↑ 5.81%	↓ -0.07%
NSE Consumer Goods Index	↑ 0.09%	↑ 8.52%	↓ -0.16%
NSE Oil & Gas Index	↑ 2.15%	↑ 10.46%	↑ 4.47%
			↑ 34.62%

NSE All Share Index



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