

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

In the absence of official figures, opening system liquidity was estimated to hover around c.₦200 billion long. Consequently, the Open Repo Rate (OPR) and the Overnight Rate (O/N) increased to 11.63% and 12.00% respectively from 11.50% and 11.88% recorded last week Friday. **We expect the interbank rates to remain at current levels tomorrow.**

Treasury Bills

Activity in the treasury bills market was quiet, albeit with a mixed tone. Despite the mixed sentiments which was mostly seen around the long end of the curve (14-March 2024 and 9-May 2024), market closed on a bearish note. Thus, the average mid-rate settled at 5.39. **Activity is expected to dwindle tomorrow, as participants should take caution ahead of the treasury bills auction.**

FGN Bonds

The local bonds market witnessed a bullish performance today, as positive drivers (like the revised auction calendar) sustained investors confidence to cherry-pick papers at attractive yield levels. Nonetheless, average mid-yield stayed at 13.66%. **We expect the buy-side interest to linger in the interim.**

Eurobonds

The Eurobonds market stood firm in the green at today's session, with buy-side interests across board. Elsewhere, the US services PMI printed at 54.9 in May from 55.1 in April. Consequently, average yield plunged 9bps to settle at 10.87%. **We expect the bullish bias to persist 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)	35.09 (-5.36% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*77.49 (+1.79% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	05-Jun-23	02-Jun-23	Change in Rates
94 days	4.44%	4.44%	(0.00%)
157 days	5.27%	5.27%	(0.00%)
311 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 05 June 2023

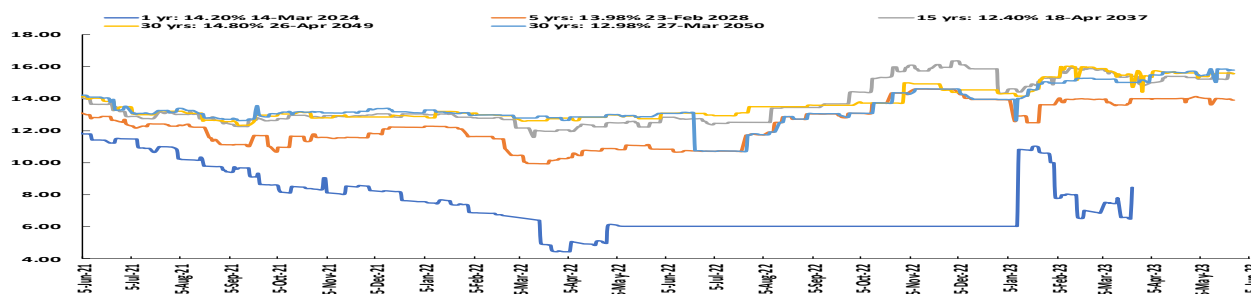
Benchmark FGN Bond Yields			
	05-Jun-23	02-Jun-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.10%	12.53%	+0.43%
10 yrs: 12.50% 27-Apr-2032	14.85%	14.90%	+0.05%
20 yrs: 13.00% 21-Jan-2042	15.27%	15.27%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.58%	15.58%	(0.00%)

Source: FMDQ DQL for 05 June 2023

Benchmark FGN Eurobond Yields			
	05-Jun-23	02-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	10.46%	10.42%	(0.04%)
10 yrs: NGERIA 7.875 02/16/32	11.29%	11.42%	+0.13%
15 yrs: NGERIA 7.696 23/02/38	11.64%	11.73%	+0.09%
30 yrs: NGERIA 9.248 01/21/49	11.78%	11.89%	+0.11%
7.125% ECOTRAN 16/02/26	12.38%	12.62%	+0.24%

Source: FBN UK Runs for 05 June 2023

Benchmark Bond Yields



Nigerian Equities

The Nigerian equity market closed on a bearish note, as the Nigerian Stock Exchange All Share Index (NGX ASI) declined by c.0.03% to close at 55,807.09 points, while year-to-date return settled at c 8.89%. Observably, selling interest in GEREGU (-1.90%) and ZENITHBANK (-0.65%) drove the downwards trajectory today.

The NGX Oil & Gas, Banking and Consumer Goods Indices appreciated in value by 2.55%,0.27% and 0.06% respectively. While NGX Industrial Goods Index depreciated by 0.01%. GEREGU led both the volume charts and the value charts with c.52.49million units and c. ₦ 16.37 billion.

We expect a mixed performance 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 prices climbed following Saudi Arabia's announcement to reduce output by another million barrels per day. As of report time, Brent oil prices appreciated by c. 1.79% to \$77.49pb, day-on-day, while WTI appreciated by c 1.88% day-on-day to settle at US\$73.09pb. Spot Gold depreciated by c. 0.46% day-on-day to close at US\$1,960.60per ounce as of report time. **We expect oil prices to rise as Saudi Arabia pledged additional voluntary output curbs.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 4th June 2023)	11.6001%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
NEM	5.50	0.50	↑ 10.00%
OMATEK	0.22	0.02	↑ 10.00%
CONOIL	76.85	6.95	↑ 9.94%
MRS	54.20	4.90	↑ 9.94%
ETERNA	10.15	0.90	↑ 9.73%

Source: NGX, AIICO Capital

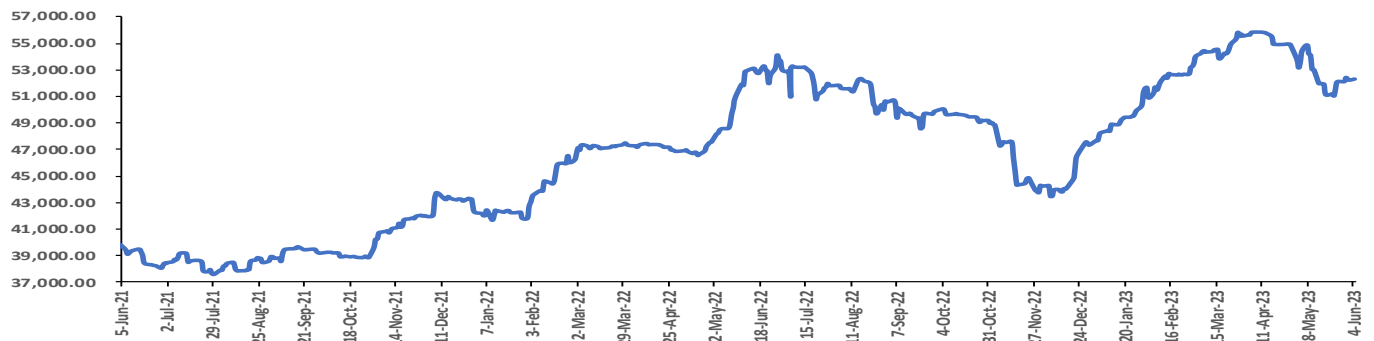
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
JOHNHOLT	1.72	-0.19	↓ -9.95%
COURTVILLE	0.46	-0.05	↓ -9.80%
CHAMS	0.37	-0.04	↓ -9.76%
WAPIC	0.42	-0.04	↓ -8.70%
ACADEMY	1.75	-0.15	↓ -7.89%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD	
NGX ASI	↓ -0.03%	↑ 5.35%	↑ 0.07%	↑ 8.89%
NSE Banking Index	↑ 0.27%	↑ 5.17%	↓ -0.35%	↑ 24.94%
NSE Insurance Index	↑ 2.82%	↑ 2.53%	↑ 2.82%	↑ 23.26%
NSE Industrial Goods Index	↓ -0.01%	↑ 5.80%	↓ -0.07%	↑ 3.45%
NSE Consumer Goods Index	↑ 0.06%	↑ 8.59%	↓ -0.10%	↑ 43.86%
NSE Oil & Gas Index	↑ 2.55%	↑ 13.27%	↑ 7.13%	↑ 38.05%

NSE All Share Index



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