

# Daily Financial Market Update



www.aicocapital.com f t in @ /aicocapitalng

## MARKET COMMENTARY

### Money Market

Opening System liquidity settled at c.₦370.70 billion long, compared with the opening balance of ₦381 billion long, recorded yesterday. However, the Open Repo Rate (OPR) and the Overnight Rate (O/N) remained unchanged at 11.63% and 12.00%. **We expect the interbank rates to remain at current levels tomorrow.**

### Treasury Bills

The treasury bills market was relatively quiet today, with few trades consummated at the tail end of the curve. Average yield increased by 30bps to 5.70%, due to mild sell interests across most papers, as market anticipates tomorrow's auction, where the DMO will be offering N182.86bn. **We expect market activity to be skewed towards the treasury bills auction tomorrow.**

### FGN Bonds

The local bonds market was mostly quiet, with mixed sentiment on papers like the 2026, 2028, 2029, 2032, 2049 and 2050. Nonetheless, the average mid-yield stayed at 13.66%. **We expect the current trend to persist tomorrow.**

### Eurobonds

Sentiment in the Eurobonds market tilted to a bearish territory, reversing most of the gains recorded in the previous sessions, as sell interests were observed across Nigeria and Angola, mainly due to the fall in oil price today amid economic growth concerns and ECB's determination to sustain its rate hiking trajectory. However, the Egypt curve enjoyed mild buyside activity. Consequently, the average yield expanded 20bps to settle at 11.17%. **We expect the bearish trend to persist tomorrow.**

Macro Indicators	
GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.22% (Mar'23: 22.04%)
External Reserve (US\$'billion)	35.02 (-5.56% 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			
	06-Jun-23	05-Jun-23	Change in Rates
93 days	4.44%	4.44%	(0.00%)
156 days	5.27%	5.27%	(0.00%)
310 days	7.31%	7.31%	(0.00%)

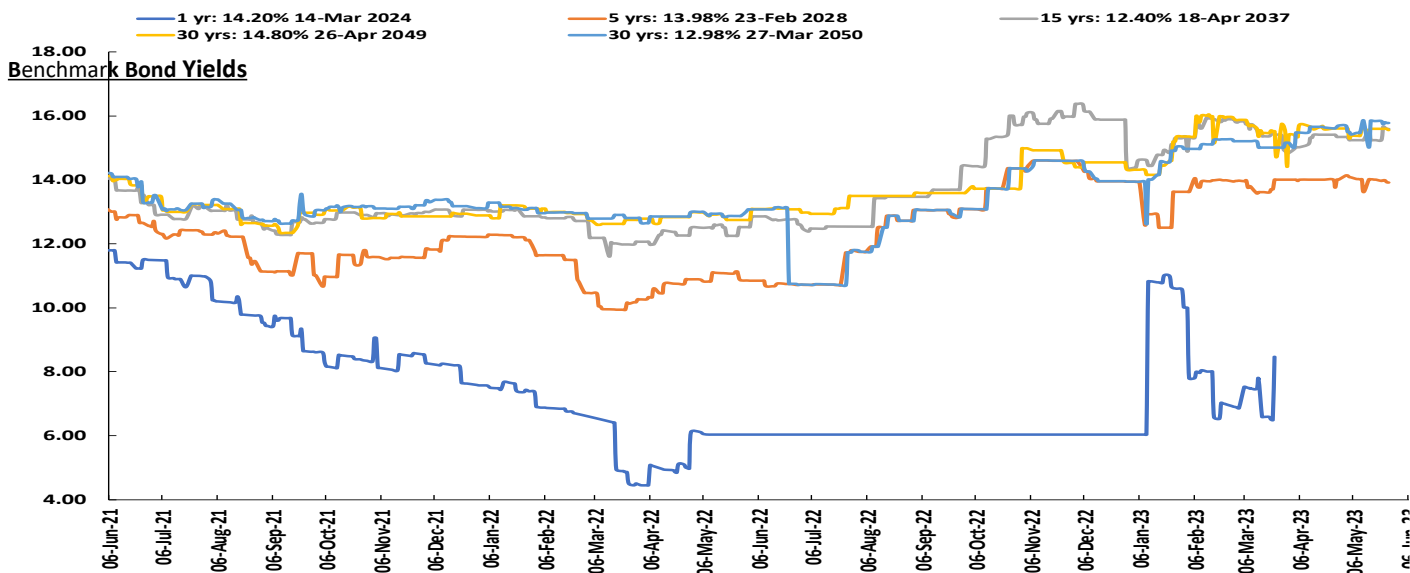
Source: FMDQ DQL for 06 June 2023

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

Source: FMDQ DQL for 06 June 2023

Benchmark FGN Eurobond Yields			
	06-Jun-23	05-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%	10.46%	(0.00%)
10 yrs: NGERIA 7.875 02/16/32	11.29%	11.29%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	11.64%	11.64%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	11.78%	11.78%	(0.00%)
7.125% ECOTRAN 16/02/26	12.38%	12.38%	(0.00%)

Source: FBN UK Runs for 06 June 2023



### Nigerian Equities

The Nigerian equity market closed on a bullish note, as the Nigerian Stock Exchange All Share Index (NGX ASI) increased by c.0.42% to close at 56,038.85 points, while year-to-date return settled at c 9.30%. Observably, buying interest in ETRANZACT (0.40%) and ZENITHBANK (0.05%) drove the upwards trajectory today.

The NGX Oil & Gas and Consumer Goods Indices appreciated in value by 1.02 %, and 0.21% respectively. While NGX Banking and Industrial Goods Indices depreciated by 0.05% and 0,02% respectively. UBA led the volume charts with c.47.13 million units and AIRTELAFRI led the value with c. ₦ 1.76 billion.

**We expect a bullish 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 tumbled more than \$1 a barrel today, after a strong rally in the previous session as worries about global economic growth outweighed Saudi Arabia's pledge to deepen output cuts. As of report time, Brent oil prices depreciated by c. 1.99% to \$75.18pb, day-on-day, while WTI depreciated by c 2.18% day-on-day to settle at US\$70.58pb. Spot Gold appreciated by c. 0.15% day-on-day to close at US\$1,977.30per ounce as of report time. **We expect oil prices to fall as economic fears overshadow Saudi output cut.**

### AIICO Money Market Fund (AMMF)

Net Yield (As at 5th June 2023)	11.1541%
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

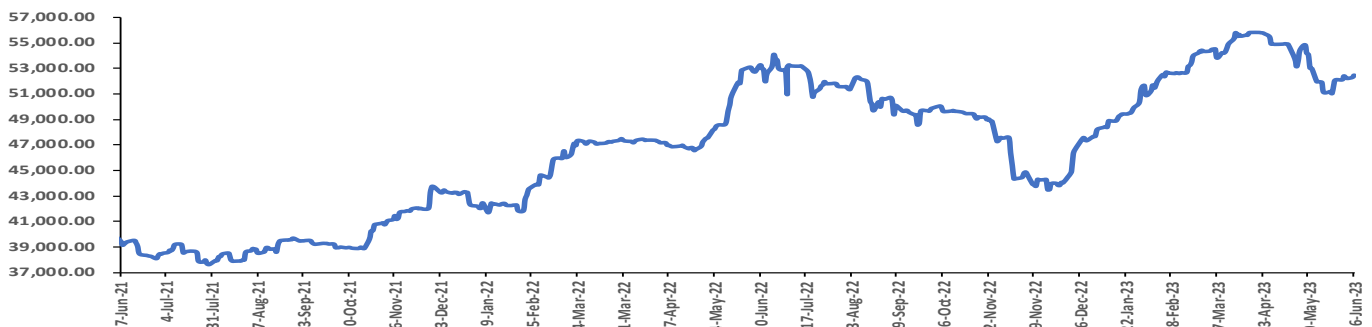
### Top 5 Equity Decliners

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	↑ 0.42%	↑ 0.54%	↑ 9.34%
NSE Banking Index	↓ -0.05%	↓ -2.85%	↑ 24.87%
NSE Insurance Index	↑ 0.57%	↑ 0.80%	↑ 23.97%
NSE Industrial Goods Index	↓ -0.02%	↓ -0.29%	↑ 3.43%
NSE Consumer Goods Index	↑ 0.21%	↑ 2.20%	↑ 44.16%
NSE Oil & Gas Index	↑ 1.02%	↑ 9.99%	↑ 39.46%

### NSE All Share Index



### Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction. Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission, and is licensed to provide fund and portfolio management services in Nigeria.