

Daily Financial Market Update



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MARKET COMMENTARY

Money Market

Opening System liquidity settled at ₦168.47 billion, from ₦198.75 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) declined by 20bps and 10bps to 11.70% and 12.20% respectively. **We expect the interbank rates to remain at current levels tomorrow.**

Treasury Bills

The treasury bills market was slightly active today despite the NTB auction that took place, although market sentiment was mixed. Sideways activity was observed mostly across the mid to long dated papers, especially Dec 2023, Mar 2024, and May 2024. **We expect the unmet bids at the auction today to filter into tomorrow's session.**

FGN Bonds

The local bonds market was quietly mixed today. Slight activities were seen on the 2037 papers amongst other papers. Nonetheless, average yield increased marginally by 1bp to 13.72%.

We expect a similar trend tomorrow.

Eurobonds

The SSA Eurobonds market traded cautiously ahead of the Fed's decision on policy rate. However, the Nigerian papers posted a bullish rally, following the CBN's bold move to shift to a floating exchange rate regime. Consequently, the average yield fell by 39bps to 10.48%.

We expect market direction to be partly hinged on the policy rate decision by the US Fed later today.

Macro Indicators	
GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.22% (Mar'23: 22.04%)
External Reserve (US\$'billion)	34.81 (-6.12% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*74.83 (+0.73% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	14-Jun-23	13-Jun-23	Change in Rates
95 days	4.44%	4.44%	(0.00%)
148 days	5.27%	5.27%	(0.00%)
302 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 14 June 2023

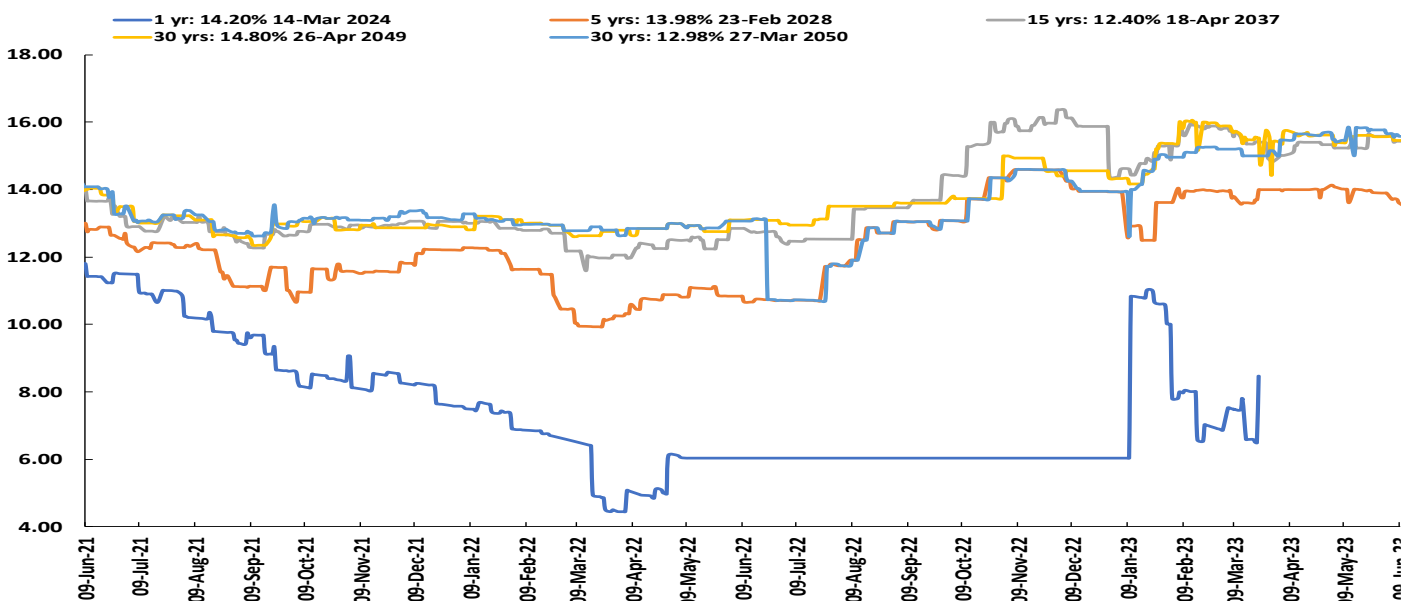
Benchmark FGN Bond Yields			
	14-Jun-23	13-Jun-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.30%	12.09%	(0.21%)
10 yrs: 12.50% 27-Apr-2032	14.70%	14.70%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.30%	15.30%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.60%	15.57%	(0.03%)

Source: FMDQ DQL for 14 June 2023

Benchmark FGN Eurobond Yields			
	14-Jun-23	13-Jun-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.21%	6.21%	(0.00%)
5 yrs: NGERIA 6 1/2 11/28/27	10.01%	10.44%	+0.43%
10 yrs: NGERIA 7.875 02/16/32	11.01%	11.24%	+0.23%
15 yrs: NGERIA 7.696 23/02/38	11.31%	11.46%	+0.15%
30 yrs: NGERIA 9.248 01/21/49	11.39%	11.65%	+0.26%
7.125% ECOTRAN 16/02/26	12.30%	12.66%	+0.36%

Source: FBN UK Runs for 14 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) advanced by c.3.13% to close at 59,985.10 points, while year-to-date return settled at c 17.04%. Buying interests in DANGSUGAR (+10.00%), SEPLAT (+10.00%) and MTNN (+10.00%) led the positive trend today.

The NGX Banking, Consumer Goods and Oil & Gas Indices appreciated in value by 26.52%, 4.09% and 16.01%, respectively. While the NGX Industrial Goods Index depreciated by 1.13%. UBA led the volume charts with c.230.76 million units while GTCO led the value with c. ₦4.20 billion.

We expect the bullish sentiment to linger tomorrow, as foreign investors scout for opportunity amidst the bullish rally.

Foreign Exchange

FMDQ's Nigerian Autonomous Foreign Exchange Fixing (NAFEX) rate depreciated to ₦664.04 today, from ₦471.67/US\$1.00 recorded yesterday, as the CBN switched to a floating exchange rate system from its pegged system, in a bid to unify the exchange rates. **We expect the NAFEX rate to be more volatile, although deprecate in the interim.**

Commodities

Oil prices ranged today as investors awaited the outcome of the U.S. Federal Reserve's June meeting after bullish oil demand growth forecasts from the International Energy Agency (IEA) and OPEC. As of report time, Brent oil prices depreciated by c. -0.11% to \$74.21pb, day-on-day, while WTI depreciated by c -0.24% day-on-day to settle at US\$69.25pb. Spot Gold appreciated by c. 0.59% day-on-day to close at US\$1,970.20per ounce as of report time. **We expect the downward trend to spill into tomorrow's session, barring any positive catalyst.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 13th June 2023)	10.3752%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
DANGSUGAR	25.30	2.30	↑ 10.00%
FBNH	15.95	1.45	↑ 10.00%
SEPLAT	1320.00	120.00	↑ 10.00%
INTBREW	5.50	0.50	↑ 10.00%
STERLINGNG	2.75	0.25	↑ 10.00%

Source: NGX, AIICO Capital

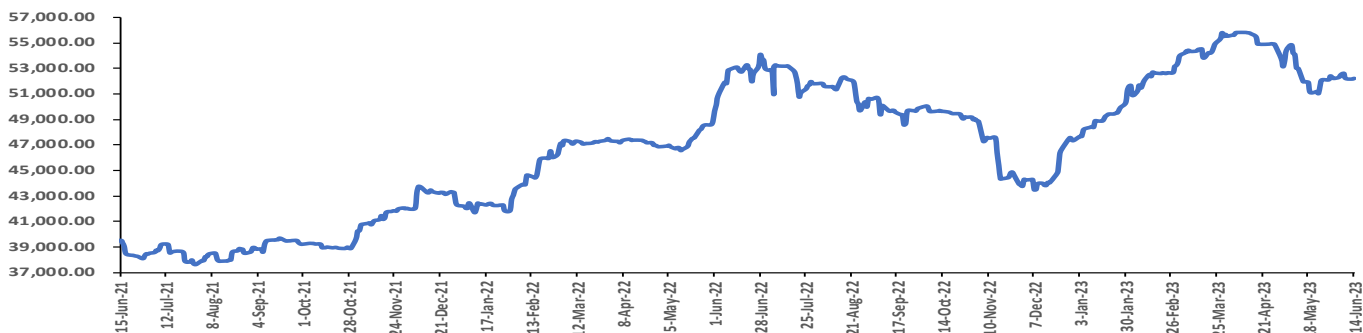
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
PHARMDEKO	2.06	-0.22	↓ -9.65%
CWG	1.63	-0.17	↓ -9.44%
NNFM	12.65	-1.20	↓ -8.66%
BUACEMENT	86.00	-6.00	↓ -6.52%
ARDOVA	16.90	-0.90	↓ -5.06%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 3.13%	↑ 7.07%	↑ 17.04%
NSE Banking Index	↑ 26.52%	↑ 39.16%	↑ 73.34%
NSE Insurance Index	→ 0.00%	↑ 13.11%	↑ 45.28%
NSE Industrial Goods Index	↓ -1.13%	↓ -1.19%	↑ 2.17%
NSE Consumer Goods Index	↑ 4.09%	↑ 7.45%	↑ 54.89%
NSE Oil & Gas Index	↑ 16.01%	↑ 15.55%	↑ 61.83%

NSE All Share Index



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