

# Daily Financial Market Update



www.aiocapital.com f t in @ /aiiocapitalng

## MARKET COMMENTARY

### Money Market

Opening System liquidity settled at ₦156.39 billion, from ₦168.47 billion recorded yesterday. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) both declined by 10bps to 11.60% and 12.10% respectively. **We expect the interbank rates to decline tomorrow, as fears of CRR debits dwindle.**

### Treasury Bills

The treasury bills market traded quiet today, albeit with a bearish undertone, as there were more sellers of long dated papers than buyers. Specifically, the newly issued 1-year paper (13-June-2024) saw offers climb as high as 8.10%, however bids were relatively absent. Overall, average yield settled at 7.12%. **We expect a relatively quiet session tomorrow, barring any significant driver.**

### FGN Bonds

The local bonds market was mixed today, albeit, on a less aggressive note. Activity was mostly seen across the 2037, 2049 and 2050 papers. Overall, the average yield stayed relatively flat at 13.72%. **We expect market players to trade cautiously tomorrow, as they keep a keen eye on Monday's FGN bond auction.**

### Eurobonds

At the early hours of today's trading session, the SSA Eurobonds' market extended its bullish rally, especially the Nigerian curve due to the positive sentiment surrounding the unification of the exchange rates. However, the market turned slightly bearish amid reaction to ECB's latest 25bps hike in benchmark rate to 4.00%, but settled mildly higher across Nigerian papers, as market players came off the lows to cherry-pick some attractive yields.

Consequently, the average yield settled at 10.38%, depicting a decline of 10bps. **We expect the bullish bias to persist tomorrow, albeit, on a less aggressive note.**

Macro Indicators	
GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.22% (Mar'23: 22.04%)
External Reserve (US\$'billion)	34.69 (-6.44% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*74.28 (+1.48% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	15-Jun-23	14-Jun-23	Change in Rates
84 days	4.44%	4.44%	(0.00%)
147 days	5.27%	5.27%	(0.00%)
301 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 15 June 2023

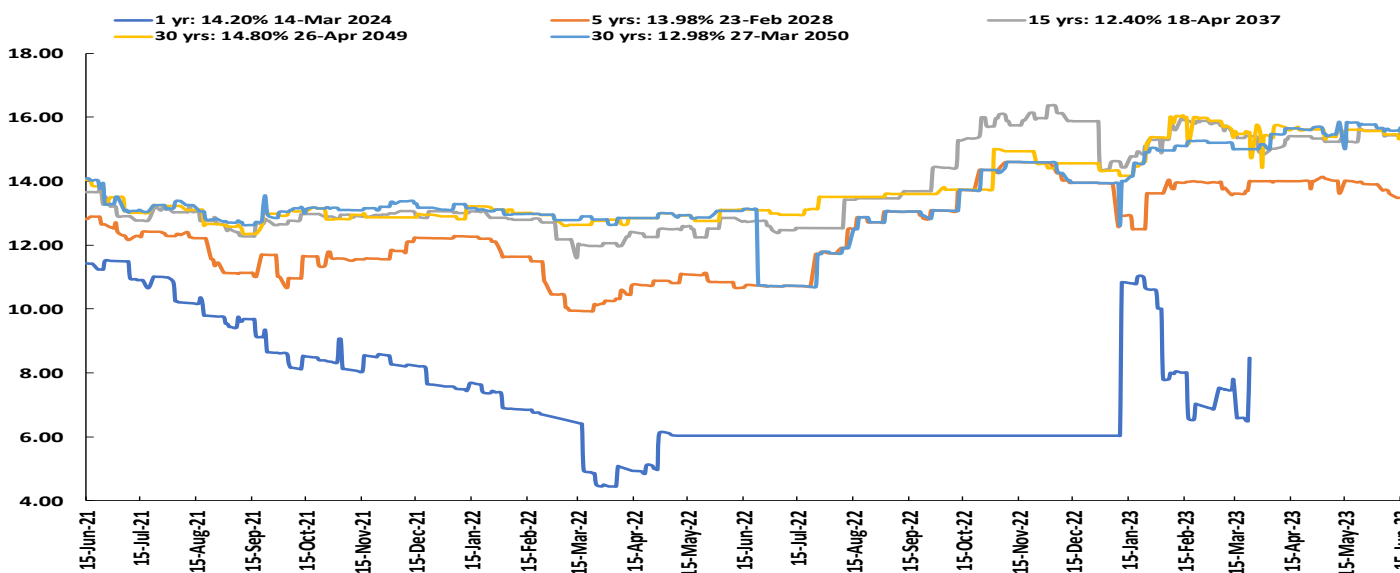
Benchmark FGN Bond Yields			
	15-Jun-23	14-Jun-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.30%	12.30%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.70%	14.70%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.30%	15.30%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.60%	15.60%	(0.00%)

Source: FMDQ DQL for 15 June 2023

Benchmark FGN Eurobond Yields			
	15-Jun-23	14-Jun-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.20%	6.21%	+0.01%
5 yrs: NGERIA 6 1/2 11/28/27	9.83%	10.01%	+0.18%
10 yrs: NGERIA 7.875 02/16/32	10.63%	11.01%	+0.38%
15 yrs: NGERIA 7.696 23/02/38	10.99%	11.31%	+0.32%
30 yrs: NGERIA 9.248 01/21/49	11.10%	11.39%	+0.29%
7.125% ECOTRAN 16/02/26	12.32%	12.30%	(0.02%)

Source: FBN UK Runs for 15 June 2023

### Benchmark Bond Yields



### Nigerian Equities

After a sustained bullish momentum that rattled across the market since the suspension of the CBN Governor, the Nigerian equity market closed on a bearish note today, as the Nigerian Stock Exchange All Share Index (NGX ASI) depreciated by c.1.32% to close at 59,195.20 points, while year-to-date return settled at c 15.50%. Selling interests in ACCESSCORP (-9.24%), UBA (-7.11%) and GTCO (-5.49%) pulled the Index to close bearish.

All Indices closed in the red zone, save for Oil & Gas Index. The NGX Banking, Industrial and Consumer Goods Indices depreciated in value by 4.16%, 0.21% and 0.44%, respectively. While the NGX Oil & Gas Index appreciated by 12.12%. UBA led the volume charts with c.192.83 million units while GTCO led the value with c. ₦ 3.34 billion. **We expect a mixed session tomorrow**

### Foreign Exchange

FMDQ's I & E rate depreciated to ₦702.19 today, from ₦664.04/US\$1.00 recorded yesterday, as the market continue to adjust towards equilibrium. **We expect the I&E rate to remain volatile.**

### Commodities

Oil prices rose on today following a jump in refinery runs in China, being a top crude importer alongside weakness in the US dollar. As of report time, Brent oil prices appreciated by c. 1.48% to \$74.28pb, day-on-day, while WTI appreciated by c 1.86% day-on-day to settle at US\$69.54pb. Spot Gold depreciated by c. 0.10% day-on-day to close at US\$1,967.00per ounce as of report time. **We expect the bullish trend to persist tomorrow.**

### AIICO Money Market Fund (AMMF)

Net Yield (As at 14th June 2023)	10.5585%
Added Benefit	Personal accident insurance cover

### Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
MRS	68.75	6.25	↑ 10.00%
TRANSCOHOT	13.31	1.21	↑ 10.00%
TOTAL	336.70	30.60	↑ 10.00%
IKEJAHOTEL	3.31	0.30	↑ 9.97%
ETRANZACT	5.32	0.48	↑ 9.92%

Source: NGX, AIICO Capital

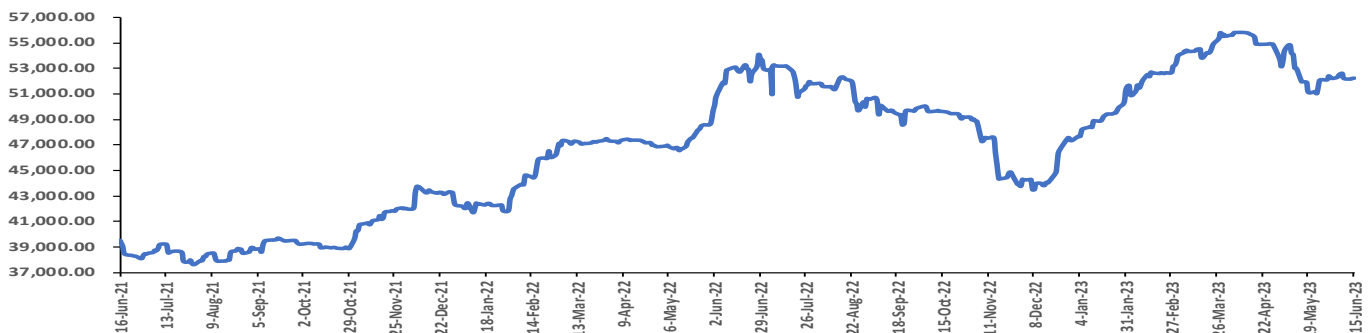
### Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
SUNUASSUR	0.45	-0.05	↓ -10.00%
CORNERST	1.02	-0.11	↓ -9.73%
MCNICHOLS	0.68	-0.07	↓ -9.33%
ACCESSCORP	14.25	-1.45	↓ -9.24%
RTBRISCOE	0.31	-0.03	↓ -8.82%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↓ -1.32%	↑ 5.79%	↑ 6.14%
NSE Banking Index	↓ -4.16%	↑ 32.05%	↑ 32.50%
NSE Insurance Index	→ 0.00%	↑ 8.79%	↑ 21.18%
NSE Industrial Goods Index	↓ -0.21%	↓ -0.70%	↓ -1.52%
NSE Consumer Goods Index	↓ -0.44%	↑ 7.11%	↑ 7.08%
NSE Oil & Gas Index	↑ 12.12%	↑ 28.27%	↑ 40.80%
			↑ 81.44%

### 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.