

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity increased to ₦866.57 billion long, compared with yesterday's opening balance of ₦711.13 billion. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) both remained unchanged at 11.60% and 12.10% respectively. **We expect the interbank rates to remain at current levels tomorrow.**

Treasury Bills

The treasury bills market traded on a calm note today, partly due to a more stabilized system liquidity linked to the policy reforms by the new administration. Few buy-side interests were observed across the short to mid-dated papers, while the long end witnessed more sellers. **We expect activity to remain quiet in the interim, in the absence of any significant driver.**

FGN Bonds

The local bonds market endured a prolonged period of calmness, after the early mild rally witnessed on the newest 30-year paper (2053) and buy-side interest observed across 2028, 2029, 2035, 2036 and 2037 maturities. Overall, the average mid-yield closed at 13.75%. **We expect the direction of market activities to be mostly determined by the FGN bonds auction result.**

Eurobonds

The Eurobonds market trended downward but with a mixed backdrop, suggesting profit taking by market participants. As a result, average yield increased by 7bps to 10.47%. **We expect the bearish bias to ease tomorrow.**

Macro Indicators

GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.41% (Mar'23: 22.04%)
External Reserve (US\$'billion)	34.59 (-6.72% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*76.43(+0.45% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	20-Jun-23	19-Jun-23	Change in Rates
79 days	6.03%	6.03%	(0.00%)
142 days	5.27%	5.27%	(0.00%)
296 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 20 June 2023

Benchmark FGN Bond Yields

	20-Jun-23	19-Jun-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.29%	12.29%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	14.70%	14.70%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	15.25%	15.30%	+0.05%
30 yrs: 12.98% 27-Mar-2050	15.60%	15.64%	+0.04%

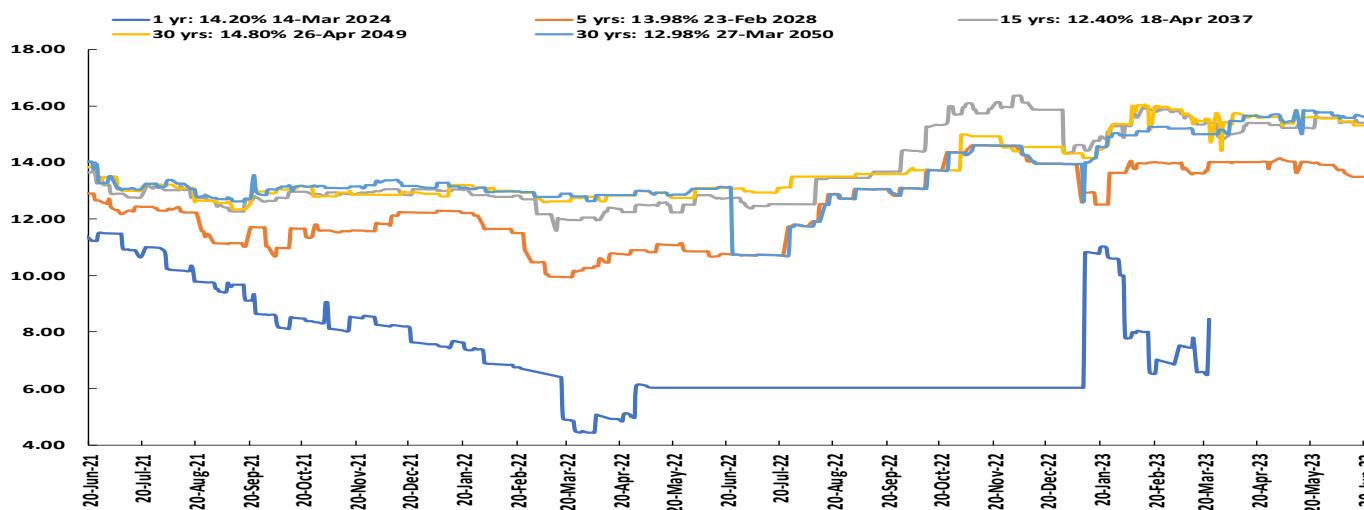
Source: FMDQ DQL for 20 June 2023

Benchmark FGN Eurobond Yields

	20-Jun-23	19-Jun-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.20%	6.20%	(0.00%)
5 yrs: NGERIA 6 1/2 11/28/27	9.98%	9.91%	(0.07%)
10 yrs: NGERIA 7.875 02/16/32	10.76%	10.71%	(0.05%)
15 yrs: NGERIA 7.696 23/02/38	11.12%	11.03%	(0.09%)
30 yrs: NGERIA 9.248 01/21/49	11.25%	11.17%	(0.08%)
7.125% ECOTRAN 16/02/26	12.46%	12.33%	(0.13%)

Source: FBN UK Runs for 20 June 2023

Benchmark Bond Yields



Nigerian Equities

The Nigerian equity market closed on a bullish note today, as the Nigerian Stock Exchange All Share Index (NGX ASI) appreciated by c.0.16% to close at 59,110.02 points, while year-to-date return settled at c 15.33%. Buying interests in ACCESSCORP (0.05%) and GTCO (0.25%) pushed the Index to close bullish.

Gains were recorded across the board, as the NGX Banking, Industrial Consumer Goods and Oil & Gas Indices all appreciated in value by 0.02%, 0.10%, 0.06%, and 1.41% respectively. UBA led the volume charts with c.78.51 million units while GTCO led the value with c. ₦ 2.11 billion. **We expect the bullish sentiment to persist tomorrow.**

Foreign Exchange

FMDQ's I & E rate appreciated to ₦756.61 today, from ₦770.38/US\$1.00 recorded yesterday. **We expect the I&E rate to remain volatile.**

Commodities

Oil prices rose mildly today, following an interest rate cut in China (lowered by 10bps to 3.55%), but the modest scale of the monetary action has disappointed the market. The People's Bank of China cut its one-year Prime Lending Rate for the first time in ten months, after mounting evidence that the country's post-Covid fightback is faltering. Brent oil prices appreciated by c. 0.45% to \$76.43pb, day-on-day, while WTI depreciated by c 0.78% day-on-day to settle at US\$71.22pb. Spot Gold depreciated by c. 0.32% day-on-day to close at US\$1,964.80per ounce as of report time. **We expect Oil prices to be depressed in the interim, amid demand concerns.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 19th June 2023)	11.8114%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
ACADEMY	1.98	0.18	↑ 10.00%
SKYAVN	7.70	0.70	↑ 10.00%
GUINEAINS	0.22	0.02	↑ 10.00%
CHAMS	0.44	0.04	↑ 10.00%
LEARNAFRCA	2.66	0.24	↑ 9.92%

Source: NGX, AIICO Capital

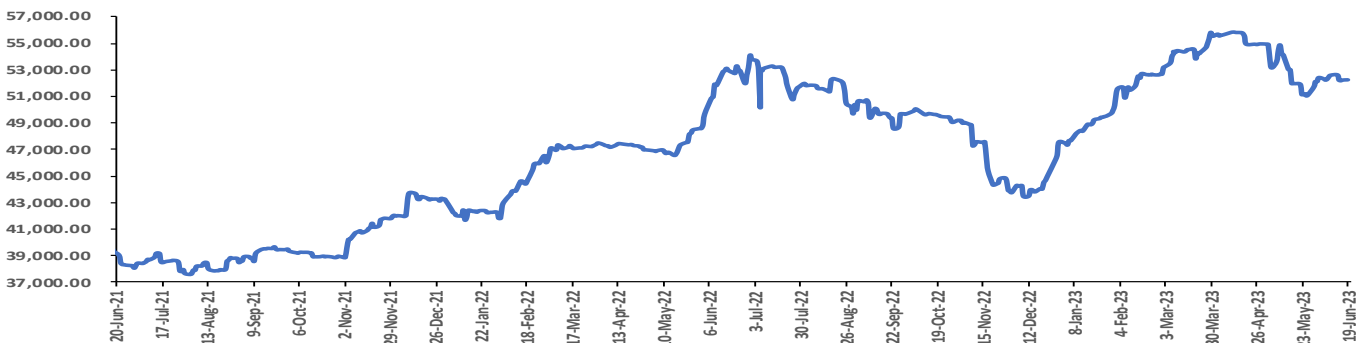
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
CILEASING	4.05	-0.45	↓ -10.00%
CORNERST	1.01	-0.11	↓ -9.82%
VERITASKAP	0.21	-0.02	↓ -8.70%
NSLTECH	0.42	-0.04	↓ -8.70%
RTBRISCOE	0.34	-0.03	↓ -8.11%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.16%	↑ 5.99%	↑ 15.33%
NSE Banking Index	↑ 0.02%	↑ 16.45%	↑ 46.00%
NSE Insurance Index	↑ 1.85%	↑ 29.88%	↑ 55.71%
NSE Industrial Goods Index	↑ 0.10%	↓ -2.25%	↑ 1.20%
NSE Consumer Goods Index	↑ 0.06%	↑ 4.33%	↑ 50.24%
NSE Oil & Gas Index	↑ 1.41%	↑ 22.61%	↑ 58.01%

NSE All Share Index



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