

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity decreased to ₦668.52 billion long, compared with yesterday's opening balance of ₦900.25 billion. Nonetheless, the Open Repo Rate (OPR) and the Overnight Rate (O/N) decreased by 267ps and 290bps to 8.83% and 9.00% respectively. **We expect the interbank rates to hover at similar levels tomorrow.**

Treasury Bills

The treasury bills market was relatively bullish today, with buy interests witnessed across the curve, particularly the June 2024 papers. Consequently, the average mid-rate decline to 5.62%. **We expect market players to trade cautiously tomorrow, as they anticipate next week's primary market auction.**

FGN Bonds

The local bonds market traded actively today, with most of the interests skewed to the 2026, 2035, 2036, 2037, 2049, 2050 and 2053 papers. The latter traded as low as 15.40%, before bids trended upwards to c.15.50%. At the closing bell, the average mid-yield fell by 24bps to settle at 13.52%. **We expect to see further cherry-picking, given the attractive yield levels.**

Eurobonds

The Eurobonds market was bearish at the early hours of trading. Although, some buyers came into the market which led market sentiment to turned relatively mixed. Nevertheless, selling pressures were stronger, as this led average yield to increase by 3bps to 10.54%. Elsewhere, the Bank of England raised policy rate by 50bps to 5.00%. **We expect the bearish trend to be subdued 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)	34.45 (-7.10% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*75.76(-1.76% d/d)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	22-Jun-23	21-Jun-23	Change in Rates
77 days	6.03%	6.03%	(0.00%)
140 days	5.27%	5.27%	(0.00%)
294 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 22 June 2023

Benchmark FGN Bond Yields

	22-Jun-23	21-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	14.40%	14.70%	+0.30%
20 yrs: 13.00% 21-Jan-2042	15.25%	15.25%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	15.60%	15.60%	(0.00%)

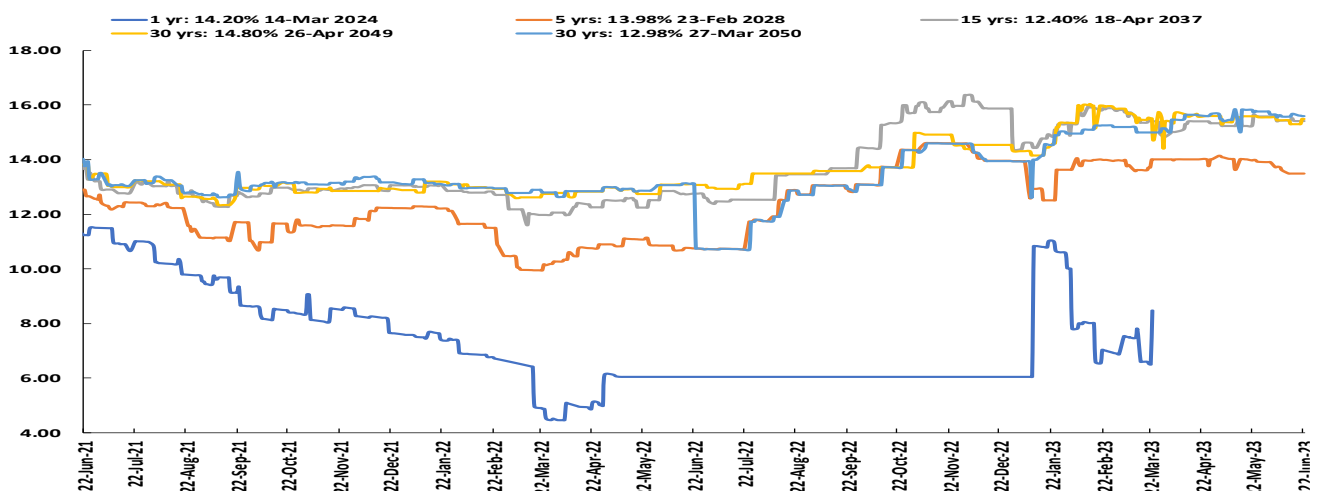
Source: FMDQ DQL for 22 June 2023

Benchmark FGN Eurobond Yields

	22-Jun-23	21-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	10.03%	10.06%	+0.03%
10 yrs: NGERIA 7.875 02/16/32	10.79%	10.79%	(0.00%)
15 yrs: NGERIA 7.696 23/02/38	11.16%	11.16%	(0.00%)
30 yrs: NGERIA 9.248 01/21/49	11.25%	11.27%	+0.02%
7.125% ECOTRAN 16/02/26	12.54%	12.52%	(0.02%)

Source: FBN UK Runs for 22 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.0.06% to close at 59,361.55 points, while year-to-date return settled at c 15.83%. Buying interests in WAPIC (0.08%) pushed the Index to close bullish.

The NGX Consumer Goods and Oil & Gas Indices appreciated in value by 0.06%, and 0.43% respectively. While the NGX Banking and Industrial Goods Index fell by 0.62% and 0.02%. WAPIC led the volume charts with c.97.15 million units while GTCO led the value with c. ₦ 1.10 billion. **We expect the bullish sentiment to persist tomorrow.**

Foreign Exchange

FMDQ's I & E rate depreciated to ₦765.13 today, from ₦756.61/US\$1.00 recorded yesterday. **We expect the volatility to persist tomorrow.**

Commodities

Oil futures fell on Thursday, as investor anticipation of more interest rate hikes were offset by possibly optimistic U.S. oil inventory data after preliminary estimates showed a drop in stocks. Brent oil prices depreciated by c. 1.76% to \$75.76pb, day-on-day, while WTI decreased by c 1.67% day-on-day to settle at US\$71.32pb. Spot Gold depreciated by c. 0.37% day-on-day to close at US\$1,937.70per 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 21st June 2023)	11.8760%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
NEM	6.93	0.63	↑ 10.00%
CORNERST	1.11	0.10	↑ 9.90%
SKYAVN	8.45	0.75	↑ 9.74%
WAPIC	0.94	0.08	↑ 9.30%
AFRIPRUD	6.60	0.55	↑ 9.09%

Source: NGX, AIICO Capital

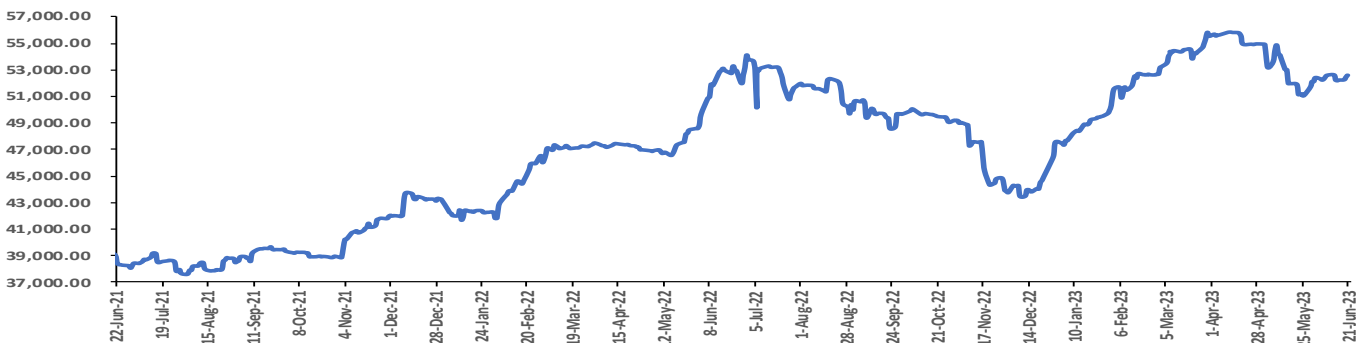
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
LASACO	2.34	-0.26	↓ -10.00%
SOVRENINS	0.55	-0.06	↓ -9.84%
UNITYBNK	1.22	-0.13	↓ -9.63%
NSLTECH	0.38	-0.04	↓ -9.52%
IKEJAHOTEL	2.91	-0.29	↓ -9.06%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 0.06%	↑ 0.28%	↑ 6.44%
NSE Banking Index	↓ -0.62%	↓ -13.19%	↑ 15.03%
NSE Insurance Index	→ 0.00%	↓ -10.57%	↑ 32.38%
NSE Industrial Goods Index	↓ -0.02%	↑ 1.07%	↓ -0.47%
NSE Consumer Goods Index	↑ 0.06%	↓ -2.62%	↑ 4.27%
NSE Oil & Gas Index	↑ 0.43%	↓ -10.93%	↑ 25.41%
			↑ 61.62%

NSE All Share Index



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