

Weekly Financial Market Update



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MARKET COMMENTARY

Money Market

System liquidity remained firmly positive this week, with FAAC inflows bolstering liquidity by 87.44% to ₦1.15 trillion from ₦613.33 billion recorded last week. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 154bps and 140bps to 1.36% and 2.00%, respectively. **We expect the interbank rates to cling to its low levels.**

Treasury Bills

Prior to the two-day holiday, the treasury bills market exhibited a bullish trajectory with buy-side interests across several papers. However, activity toned down as participants tilted focus to the rescheduled NTB primary market auction today.

At the auction, the DMO sold ₦187.11 billion treasury bills, in line with the intended offer. Furthermore, the stop rates declined across the three papers, as the 91, 182 and 364-day papers declined by 202bps, 75bps and 201bps compared to the previous auction, to close at 2.87%, 4.37% and 6.23% respectively. Overall, average yield suffered c.153bps decline to close at 4.09%, week-on-week. **We expect the bullish rally to persist next week, given the elevated system liquidity.**

FGN Bonds

Similarly, the bond market sustained a bullish bias at the early part of the week. Although, at the last trading day of the week, the market witnessed a quiet session. Overall, average yield declined by 106bps to 2.29%, week-on-week.

We expect the bullish trend to resurface next week.

Eurobonds

The Eurobonds market posted a bullish sentiment, with a slightly, mixed backdrop. Across the SSA region, market was swayed by country-specific drivers with occasional swings in the yield curve. Consequently, average yield fell by 5bps to 10.53%, week-on-week. **We expect the minutes of the U.S Fed's FOMC meeting to partly dictate the trajectory of market trend next week, even as participants continue to react to country-specific catalysts.**

Macro Indicators	
GDP (Q1 2023)	+2.31% (Q4: 2022 +3.52% y/y)
Inflation (May'2023)	22.41% (Apr'23: 22.22%)
External Reserve (US\$'billion)	34.22 (-7.72% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*75.99 (+0.04% w/w)

Source: NBS,CBN, AIICO Capital

Benchmark T-Bills Discount Rates			
	30-Jun-23	23-Jun-23	Change in Rates
69 days	6.03%	6.03%	(0.00%)
132 days	5.27%	5.27%	(0.00%)
286 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 30 June 2023 and 23 June 2023

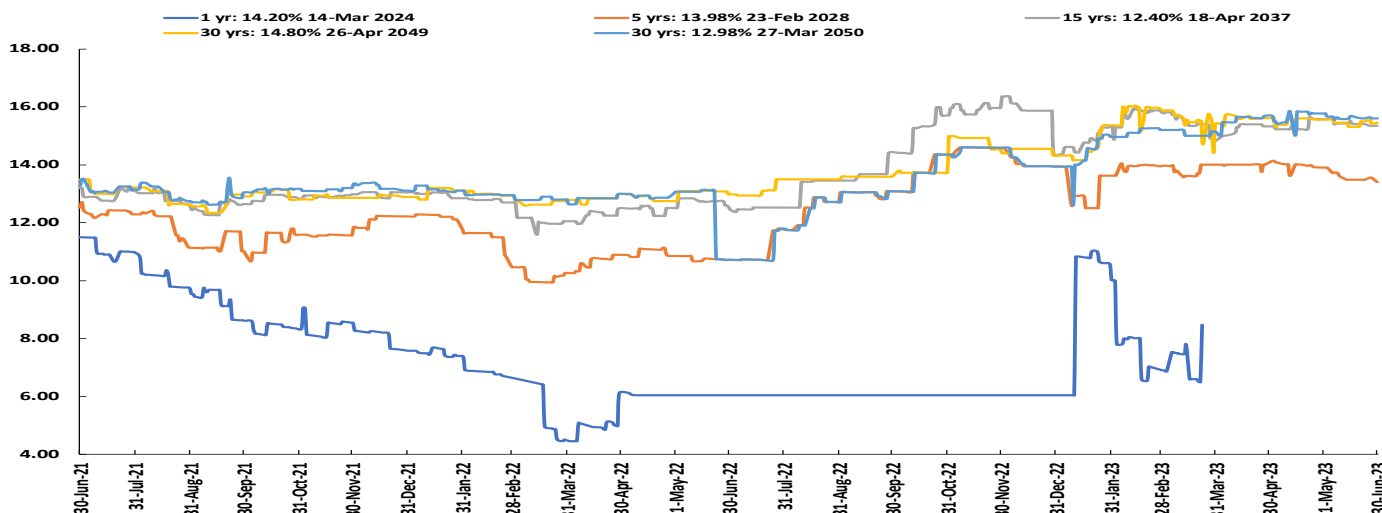
Benchmark FGN Bond Yields			
	30-Jun-23	23-Jun-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	10.91%	11.39%	+0.48%
10 yrs: 12.50% 27-Apr-2032	13.35%	14.40%	+1.05%
20 yrs: 13.00% 21-Jan-2042	15.25%	15.25%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	14.69%	14.97%	+0.28%

Source: FMDQ DQL for 30 June 2023 and 23 June 2023

Benchmark FGN Eurobond Yields			
	30-Jun-23	23-Jun-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.19%	6.19%	(0.00%)
5 yrs: NGERIA 6 1/2 11/28/27	10.01%	10.11%	+0.10%
10 yrs: NGERIA 7.875 02/16/32	10.64%	10.86%	+0.22%
15 yrs: NGERIA 7.696 23/02/38	11.10%	11.20%	+0.10%
30 yrs: NGERIA 9.248 01/21/49	11.20%	11.31%	+0.11%
7.125% ECOTRAN 16/02/26	12.34%	12.54%	+0.20%

Source: FBN UK Runs for 30 June 2023 and 23 June 2023

Benchmark Bond Yields



Nigerian Equities

The Nigerian equity market closed on a bullish note, week on week, as the Nigerian Stock Exchange All Share Index (NGX ASI) appreciated by c.2.98% to close at 60,968.27 points, while year-to-date return settled at c 18.96%. Buying interest in ACCESSCORP (11.04%), and AIRTELAFRI (+4.19%) drove the upward trend this week.

Again, all indices closed in the green this week. Thus, the NGX Banking, and Industrial Indices gained 7.78% and 0.63%, respectively, while the NGX Consumer Goods and Oil & Gas Indices appreciated in value by 1.12%, and 4.56%, respectively, week-on-week. ACCESSCORP led both the volume charts with c. 441.33 million units and value charts with c. ₦ 7.02 billion, this week. **We expect the market to post a positive performance next week, barring any negative drivers.**

Foreign Exchange

FMDQ's Investors and Exporters (I&E) rate appreciated by 0.12% to ₦769.25/US\$1.00 from ₦770.17/US\$1.00 recorded last week. **We expect the volatility to persist next week.**

Commodities

Oil prices closed on a bullish note this week, in the absence of any significant negative catalyst. Brent oil prices appreciated by c. 1.54% to \$74.99 per barrel, week-on-week, while WTI appreciated by c 1.36% day-on-day to settle at US\$70.91pb. Similarly, Spot Gold depreciated by c. 0.23% to US\$1,925.10 per ounce as of report time.. **We expect the OPEC+ meeting to be at the spotlight of market performance next week.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 29th June 2023)	11.8493%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers W-o-W

Name (Symbol)	Closing Price	Gain(N)	% Change
IKEJAHOTEL	3.99	0.99 ↑	33.00%
TRANSCOHOT	23.40	5.80 ↑	32.95%
ETERNA	21.00	5.15 ↑	32.49%
STERLINGNG	3.36	0.79 ↑	30.74%
CHAMS	0.74	0.17 ↑	29.82%

Source: NGX, AIICO Capital

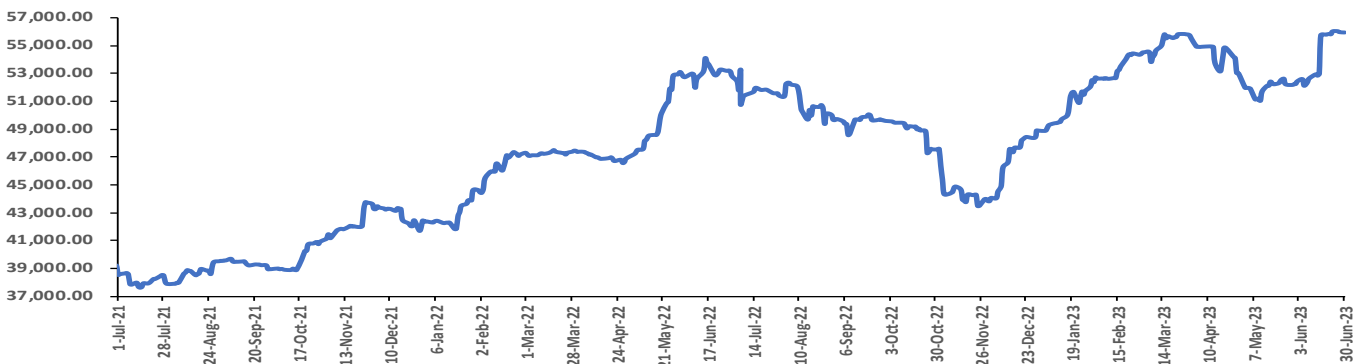
Top 5 Equity Decliners W-o-W

Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.33	-0.05 ↓	-13.16%
GUINEAINS	0.21	-0.03 ↓	-12.50%
UNIVINSURE	0.21	-0.03 ↓	-12.50%
SOVRENINS	0.49	-0.06 ↓	-10.91%
PHARMDEKO	1.80	-0.20 ↓	-10.00%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.43%	↑ 2.98%	↑ 9.32%	↑ 18.96%
NSE Banking Index	↑ 1.69%	↑ 7.78%	↑ 23.30%	↑ 54.59%
NSE Insurance Index	→ 0.00%	↑ 1.12%	↑ 33.86%	↑ 60.48%
NSE Industrial Goods Index	↓ -0.54%	↑ 0.63%	↑ 0.13%	↑ 3.66%
NSE Consumer Goods Index	↑ 0.58%	↑ 1.12%	↑ 5.51%	↑ 51.93%
NSE Oil & Gas Index	↑ 0.78%	↑ 4.56%	↑ 30.18%	↑ 67.76%

NSE All Share Index



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