

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity today decreased to ₦818.00 million long, compared with ₦896.33 million recorded yesterday. However, the Open Repo Rate (OPR) and Overnight Rate (O/N) decreased by 7bps and 4bps to 0.86% and 1.25%, respectively. **We expect rates to hover at similar levels next week.**

Treasury Bills

The treasury bills market closed flat in today's session, with minimal activities. Average yield settled at 4.18%. **We expect the market performance to skew towards the NTB auction next week, as the DMO is set to offer ₦141.77 treasury bills.**

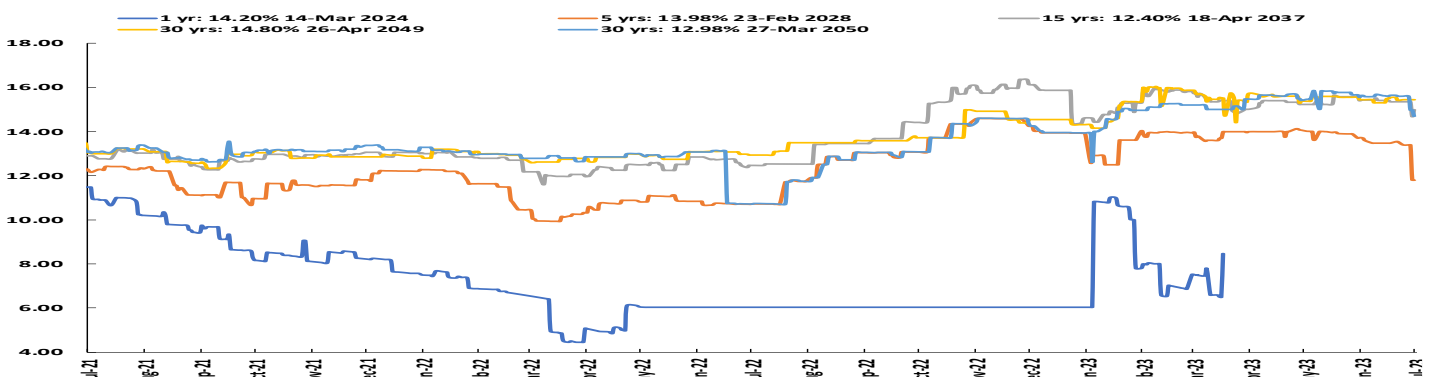
FGN Bonds

Activity in the local bonds market was mixed today, with unaggressive bids and offers across the curve, particularly the 2028, 2032, 2034, 2035, 2037, 2038, and 2053 papers. Consequently, the mid-yield inched up marginally by 1bp to 12.79%. **We expect the cherry-picking to persist next week. Although, activity should cool down towards the end of the week ahead of the scheduled July 17 auction.**

Eurobonds

Market expressed a bearish remark in today's session, given less surprises from the US NFP data with a slight decline from estimate. Moreso, the SSA curve sold off, despite expected cushion from increased oil prices due to the extended output cut by Saudi Arabia and Russia. As a result, average yield expanded by 90bps to 12.14%. **Next week, we expect attention to be drawn towards speeches by Fed officials and the inflation data, as this should further suggest likely Fed's decision in the next FOMC meeting. Also, the Federal Government is expected to redeem the 12-July 2023 Eurobond maturity next week, with a total of \$515.94 billion in maturity and coupon payments**

Benchmark Bond Yields



Macro Indicators

GDP (Q1 2023)	+2.31% (Q4 2022: +3.52% y/y)
Inflation	22.41% (Mar'23: 22.04%)
External Reserve (US\$'billion)	34.08 (-8.08% YTD)
Monetary Policy Rate	18.50%
Cash Reserve Requirement (CRR)	32.50%
Brent Crude Price US\$/bbl	*76.90 (+0.50% d/d)

Source: NBS, CBN, AIICO Capital

Benchmark T-Bills Discount Rates

	07-Jul-23	06-Jul-23	Change in Rates
62 days	6.03%	6.03%	(0.00%)
125 days	5.27%	5.27%	(0.00%)
279 days	7.31%	7.31%	(0.00%)

Source: FMDQ DQL for 07 July 2023

Benchmark FGN Bond Yields

	07-Jul-23	06-Jul-23	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	12.06%	12.06%	(0.00%)
10 yrs: 12.50% 27-Apr-2032	13.77%	13.77%	(0.00%)
20 yrs: 13.00% 21-Jan-2042	14.58%	14.58%	(0.00%)
30 yrs: 12.98% 27-Mar-2050	14.55%	14.55%	(0.00%)

Source: FMDQ DQL for 07 July 2023

Benchmark FGN Eurobond Yields

	07-Jul-23	06-Jul-23	Change in Yield
1 yr: NGERIA 6 3/8 07/12/23	6.18%	6.18%	(0.00%)
5 yrs: NGERIA 6 1/2 11/28/27	10.53%	10.41%	(0.12%)
10 yrs: NGERIA 7.875 02/16/32	11.16%	10.92%	(0.24%)
15 yrs: NGERIA 7.696 23/02/38	11.56%	11.36%	(0.20%)
30 yrs: NGERIA 9.248 01/21/49	11.65%	11.45%	(0.20%)
7.125% ECOTRAN 16/02/26	12.25%	12.24%	(0.01%)

Source: FBN UK Runs for 07 July 2023

Nigerian Equities

The bullish momentum in Nigerian's bourse persisted in today's session, as the NGX ASI appreciated by c.1.65%, to settle at 63,040.41 points, while year-to-date return settled at c 23.00%. Buying interests in ZENITHBANK (+0.25%) and FBNH (+1.30%) drove the positive trend in today's session. The NGX Oil & Gas, Consumer Goods, Banking, and Industrial Goods Indices appreciated in value by 1.06%, 0.32%, 3.33% and 1.81% respectively. FBNH led both the volume and value charts with c. 131.77 million units, c. ₦ 2.63 billion, respectively. **We expect the bullish sentiment to extend next week.**

Foreign Exchange

FMDQ's I & E rate closed at \$/₦776.90 as at July 7, 2023, while the NAFEX settled at \$/₦749.64 as of July 6, 2023. **We expect the volatility to persist next week.**

Commodities

Oil prices were largely unchanged on Friday, but set to post weekly gains, as fears of higher U.S. interest rates that could dampen energy demand were offset by signs of tighter supply after a larger-than-expected fall in U.S. oil stocks. Brent oil prices appreciated by c. 0.54% to \$76.93pb, day-on-day, while WTI appreciated by c 0.57% day-on-day to settle at US\$72.21pb. Spot Gold appreciated by c. 0.27% day-on-day to close at US\$1,920.50 per ounce as of report time. **We expect oil prices remain stable as concerns about rate hikes offset evidence of shrinking supply.**

AIICO Money Market Fund (AMMF)

Net Yield (As at 30th June 2023)	11.8480%
Added Benefit	Personal accident insurance cover

Top 5 Equity Advancers

Name (Symbol)	Closing Price	Gain(N)	% Change
OMATEK	0.55	0.05	↑ 10.00%
FTNCOCOA	3.19	0.29	↑ 10.00%
PRESCO	220.00	20.00	↑ 10.00%
AFROMEDIA	0.22	0.02	↑ 10.00%
MERVALUE	26.55	2.41	↑ 9.98%

Source: NGX, AIICO Capital

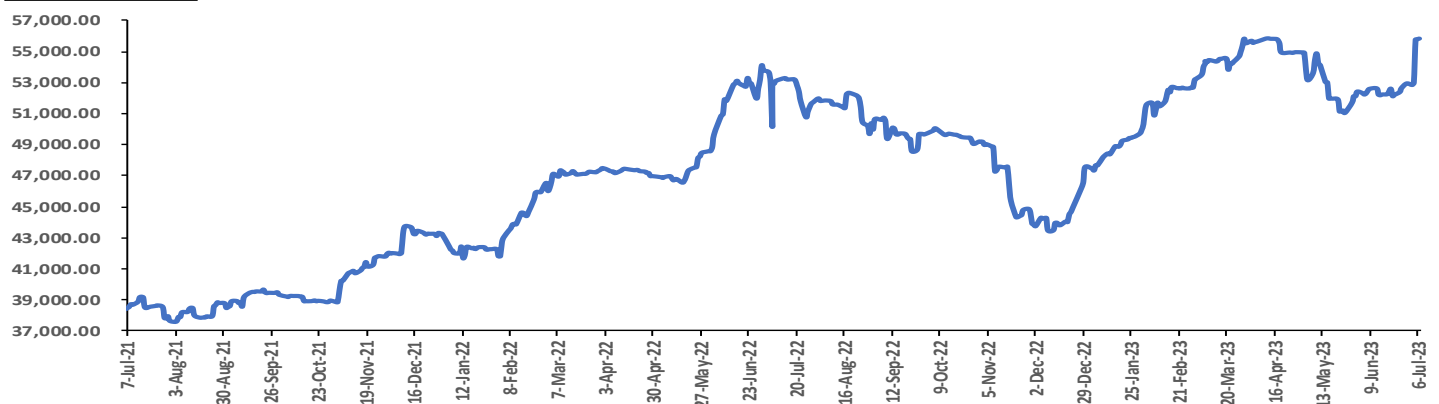
Top 5 Equity Decliners

Name (Symbol)	Closing Price	Loss(N)	% Change
MULTIVERSE	3.38	-0.37	↓ -9.87%
RTBRISCOE	0.66	-0.07	↓ -9.59%
COURTVILLE	0.67	-0.06	↓ -8.22%
WAPIC	0.61	-0.05	↓ -7.58%
CHAMPION	4.60	-0.15	↓ -3.16%

Source: NGX, AIICO Capital

	W-o-W	MTD	YTD
NGX ASI	↑ 1.65%	↑ 3.40%	↑ 23.00%
NSE Banking Index	↑ 3.33%	↑ 9.82%	↑ 69.77%
NSE Insurance Index	→ 0.00%	↓ -4.91%	↑ 52.60%
NSE Industrial Goods Index	↑ 1.81%	↑ 2.22%	↑ 5.97%
NSE Consumer Goods Index	↑ 0.32%	↓ -0.22%	↑ 51.59%
NSE Oil & Gas Index	↑ 1.06%	↑ 7.18%	↑ 79.81%

NSE All Share Index



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