

Daily Financial Market Update

AiICO CAPITAL
www.aicocapital.com


/ aicocapitalng

MARKET COMMENTARY

Money Market

System liquidity improved significantly today, opening at ₦74.33 billion compared to ₦403.58 billion reported on Tuesday. Consequently, the Open Repo Rate (OPR) declined by 258 bps to 27.63%, while the Overnight Rate (O/N) also contracted by 258 bps to 28.42%.

Outlook: We expect interbank rates to stay at close range levels.

Treasury Bills

The treasury bills market expressed a bearish bias in today's session, with notable interests around the long-dated papers. Overall, activity was clam, despite the 27bps increase in average mid-rate to 19.53%.

Outlook: We expect momentum to ease tomorrow.

FGN Bonds

In today's session, the FGN local bonds market traded bullish, albeit, at a less aggressive pace. Most activities were observed on the New Mar 2027, and Feb 2034 papers amongst others. At the end of the session, as the average mid-yield declined by 6bps to settle at 18.57%.

Outlook: We expect the bullish trend to spill into tomorrow's session.

Eurobonds

Today, the African Eurobonds market bounced back with increased buying interests across the curve. This followed yesterday's selloffs just before the FOMC's meeting. With the Fed Chair Powell indicating that U.S. rates are likely to remain high for an extended period, the market shifted to a bullish theme. While Powell acknowledged the loss of momentum in the inflation fight, he ruled out additional increases. As a result, the average mid-yield dropped by 14 bps, from 10.00% to 9.86%.

Outlook: We expect the US Job report to impact market sentiment tomorrow.

AiICO Money Market Fund (AMMF)

(As of 29th April 2024) 15.3613%

Date	Sys. Liq. (₦'bn)	Diff.
2-May-24	-74.33	
30-Apr-24	-403.58	↑ 329.25

Source: CBN

Macro Indicators

GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (March'2024)	33.20% (Feb'24: 31.70%)
External Reserve (US\$ billion)	32.15 (-2.31% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*88.57 (-1.04 d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates

	02-May-24	30-Apr-24	Change in Rates
84 days	18.05%	18.05%	→ 0.00%
175 days	18.73%	18.73%	→ 0.00%
329 days	21.35%	21.35%	→ 0.00%

Source: FMDQ DQL for 02 May 2024

Benchmark FGN Bond Yields

	02-May-24	30-Apr-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.45%	18.46%	↑ 0.99%
10 yrs: NGERIA 7.875 02/16/32	10.09%	10.08%	↑ 0.01%
20 yrs: 13.00% 21-Jan-2042	18.69%	18.69%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.33%	18.33%	→ 0.00%

Source: FMDQ DQL for 02 May 2024

Benchmark FGN Eurobond Yields

	02-May-24	30-Apr-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.79%	8.74%	↑ 0.05%
10 yrs: NGERIA 7.875 02/16/32	10.09%	10.08%	↑ 0.01%
15 yrs: NGERIA 7.696 23/02/38	10.55%	10.50%	↑ 0.05%
30 yrs: NGERIA 9.248 01/21/49	10.39%	10.39%	→ 0.00%
7.125% ECOTRAN 16/02/26*	8.03%	8.03%	→ 0.00%

Source: ZENITH UK Runs for 02 May 2024

Nigerian Equities

The Nigerian equities recovered some of its losses today, with all sectorial indices closing in the green, particularly tickers like PRESCO (+10.00%), DANGSUGAR (+9.90%), CONOIL (+8.05%) and GTCO (+7.03%). Consequently, the All-Share Index appreciated by 0.55% to settle at 98,762.78 points, with the year-to-date return and market capitalization settling at 32.08% and ₦55.86 trillion, respectively.

Overall trading activity was mixed, with 20.46% uptick in total volume traded and 62.86% decline in the total value traded. Zooming in, the Banking and Consumer Goods sectors appreciated by 3.20% and 0.58%, respectively, while the Industrial and Oil & Gas indices gained 0.01% and 0.95%, respectively. ABBEYBDS led the total volume traded with 362.82 million units, while ACCESSCORP led the total value traded at ₦954.62 billion.

Outlook: We expect market to remain mixed.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦11.71 (or 0.84%) to \$/₦1,402.67 compared to \$/₦1,390.96 recorded on Tuesday.

Outlook: We expect volatility to linger.

Commodities

Crude oil bounces after hitting 7-week low on surging U.S. petroleum inventories, on softening demand. Consequently, Brent crude increased by 0.06% to \$83.48 per barrel. Although, the WTI declined by 0.28% drop to \$78.78 per barrel. Similarly, gold prices declined by 0.09% to \$2,309.10 per ounce.

Outlook: We expect the volatility to persist.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
PRESCO	229.90	20.90	↑ 10.00%
FLOURMILL	33.55	3.05	↑ 10.00%
STERLINGNG	4.74	0.43	↑ 9.98%
DANGSUGAR	42.75	3.85	↑ 9.90%
FIDSON	15.75	1.40	↑ 9.76%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
NASCON	47.30	-5.25	↓ -9.99%
UPL	2.05	-0.21	↓ -9.29%
OMATEK	0.69	-0.07	↓ -9.21%
NEIMETH	1.80	-0.18	↓ -9.09%
CUTIX	2.86	-0.24	↓ -7.74%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.55%	↑ 0.60%	↑ 0.55%	↑ 32.08%
NSE Banking Index	↑ 3.20%	↑ 5.08%	↑ 3.20%	↓ -10.93%
NSE Insurance Index	↑ 0.67%	↓ -0.41%	↑ 0.67%	↑ 18.81%
NSE Industrial Goods Index	↑ 0.01%	↓ -0.37%	↑ 0.01%	↑ 72.82%
NSE Consumer Goods Index	↑ 0.58%	↓ -1.37%	↑ 0.58%	↑ 38.65%
NSE Oil & Gas Index	↑ 0.95%	↑ 0.58%	↑ 0.95%	↑ 22.71%

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.