

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity significantly improved today, increasing to ₦296.33 billion from ₦19.61 billion recorded last week Friday. Overall, the Open Repo Rate (OPR) increased by 113bps to 27.38%, while the Overnight Rate (O/N) increased by 139 bps to 28.47%.

Outlook: We expect interbank rates to notch higher in the interim.

Treasury Bills

The treasury bills market exhibited a quiet posture in today's trading, following the OMO bills auction announcement. The DMO offered ₦500 billion, but only sold ₦260.65 billion due to weak subscription of ₦286.65 billion. The short- and medium-term papers decreased slightly to 18.99% and 19.48%, respectively, while the stop rate on the long-term paper increased by about 37.50bps to 21.50%. Despite the quiet trading, the market's average yield increased to 19.65%, up from 19.04% last week Friday.

Outlook: We expect the bearish sentiment to persist tomorrow, albeit, at a cautious pace.

FGN Bonds

The local FGN bonds market had a positive start to the week, with considerable buying interest noticed on the New Mar 2027 & Apr 2029, Feb 2034 and 2053 bonds. As a result, the average mid yield dropped by 9 bps and ended the session at 18.44%.

Outlook: We expect the mixed trend to persist in the interim.

Eurobonds

The Eurobond market saw moderate selling interest across several papers on the Nigerian curve today, resulting in a slightly bearish trading session. This was mainly due to players taking profits from last week's bullish rally. Average mid-yield stayed at 9.66%.

Outlook: We expect momentum to remain low, in the absence of any major catalyst.

AiICO Money Market Fund (AMMF)

(As of 3rd May 2024) 15.5032%

| Date | Sys. Liq. (₦'bn) | Diff. |
|----------|------------------|----------|
| 6-May-24 | 296.33 | |
| 3-May-24 | 19.61 | ↑ 276.72 |

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) | 32.30 (-1.86% YTD) |
| Monetary Policy Rate | 24.75% |
| Cash Reserve Requirement (CRR) | 45.00% |
| Brent Crude Price US\$/bbl | *83.23 (+0.33 d/d) |

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates

| | 06-May-24 | 03-May-24 | Change in Rates |
|----------|-----------|-----------|-----------------|
| 80 days | 18.05% | 18.05% | → 0.00% |
| 171 days | 18.73% | 18.73% | → 0.00% |
| 325 days | 21.35% | 21.35% | → 0.00% |

Source: FMDQ DQL for 06 May 2024

Benchmark FGN Bond Yields

| | 06-May-24 | 03-May-24 | Change in Yield |
|-------------------------------|-----------|-----------|-----------------|
| 5 yrs: 16.2884% 17-Mar-2027 | 18.45% | 18.45% | → 0.00% |
| 10 yrs: NGERIA 7.875 02/16/32 | 19.26% | 19.25% | ↑ 0.01% |
| 20 yrs: 13.00% 21-Jan-2042 | 18.69% | 18.69% | → 0.00% |
| 30 yrs: NGERIA 9.248 01/21/49 | 18.33% | 18.33% | → 0.00% |

Source: FMDQ DQL for 06 May 2024

Benchmark FGN Eurobond Yields

| | 06-May-24 | 03-May-24 | Change in Yield |
|-------------------------------|-----------|-----------|-----------------|
| 5 yrs: NGERIA 6 1/2 11/28/27 | 8.57% | 8.57% | → 0.00% |
| 10 yrs: NGERIA 7.875 02/16/32 | 9.88% | 9.88% | → 0.00% |
| 15 yrs: NGERIA 7.696 23/02/38 | 10.34% | 10.34% | → 0.00% |
| 30 yrs: NGERIA 9.248 01/21/49 | 10.24% | 10.24% | → 0.00% |
| 7.125% ECOTRAN 16/02/26* | 7.65% | 7.65% | → 0.00% |

Source: ZENITH UK Runs for 06 May 2024

Nigerian Equities

The Nigerian Equity market settled bearish today, given the selloff noticed on AIRTELAFRI (-10.00%). Although, bullish sentiment persisted around the banking and industrial goods indices, including NASCON (+9.94%) and GTCO (+7.61%). Overall, the All-Share Index shed 0.89%, w/w to close at 98,708.68 points. The year-to-date return and market capitalization settled at 32.00% and ₦55.82 trillion, respectively.

Trading activity was mixed, with 5.56% decline in total volume traded and 26.10% increase in total value traded. The Banking, Consumer Goods and Industrial Goods indices increased by 2.56%, 0.25% and 0.58%, respectively, while the Oil & Gas index flattened. ACCESSCORP led the total volume charts with 98.24 million units, and the value chart with N1.76 billion.

Outlook: We expect similar trend to resurface tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦46.19 (or 3.30%) to \$/₦1,354.21 compared to \$/₦1,400.40 recorded at the close of last week Friday.

Outlook: We expect volatility to persist in the interim.

Commodities

U.S. oil increased today, after Israel told Palestinians to evacuate the southern Gaza city of Rafah, and Saudi Aramco raised its official crude prices. Brent crude increased by 0.98% to \$83.77 per barrel, while WTI has expanded by 1.06% to \$78.94 per barrel during the same period. Gold prices climbed more than 1% today, as the U.S. dollar weakened after softer-than-expected U.S. jobs data fuelled expectations of potential interest rate cuts by the Federal Reserve later this year. Thus, Gold price increased by 1.16% to \$2,335.30 per ounce in the same week.

Outlook: We expect the volatility to persist.

| Top 5 Equity Advancers | | | |
|------------------------|---------------|---------|----------|
| Name (Symbol) | Closing Price | Gain(N) | % Change |
| GUINEAINS | 0.33 | 0.03 | ↑ 10.00% |
| CORNERST | 1.98 | 0.18 | ↑ 10.00% |
| OANDO | 9.95 | 0.90 | ↑ 9.94% |
| NASCON | 47.00 | 4.25 | ↑ 9.94% |
| WEMABANK | 7.55 | 0.65 | ↑ 9.42% |

Source: NGX, AIICO Capital

| Top 5 Equity Decliners | | | |
|------------------------|---------------|---------|-----------|
| Name (Symbol) | Closing Price | Loss(N) | % Change |
| AIRTELAFRI | 1980.00 | -220.00 | ↓ -10.00% |
| BERGER | 12.35 | -1.35 | ↓ -9.85% |
| IMG | 12.40 | -1.35 | ↓ -9.82% |
| INTENEGINS | 1.26 | -0.13 | ↓ -9.35% |
| INTBREW | 4.35 | -0.43 | ↓ -9.00% |

Source: NGX, AIICO Capital

| | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|----------|
| NGX ASI | ↓ -0.89% | ↑ 0.84% | ↑ 0.49% | ↑ 32.00% |
| NSE Banking Index | ↑ 2.56% | ↑ 12.69% | ↑ 10.80% | ↓ -4.37% |
| NSE Insurance Index | ↑ 2.03% | ↑ 3.75% | ↑ 3.60% | ↑ 22.26% |
| NSE Industrial Goods Index | ↑ 0.25% | ↓ -0.10% | ↑ 0.26% | ↑ 73.25% |
| NSE Consumer Goods Index | ↑ 0.58% | ↑ 1.12% | ↑ 1.93% | ↑ 40.52% |
| NSE Oil & Gas Index | → 0.00% | ↓ -0.66% | ↓ -0.32% | ↑ 21.17% |

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