

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity opened short today, at ₦298.28 billion from ₦81.10 billion surplus reported last week Friday. Consequently, the Open Repo Rate (OPR) increased by 86bps to 28.86%, while the Overnight Rate (O/N) increased by 98 bps to 29.61% when compared to the previous week.

Outlook: We expect interbank rates remain elevated tomorrow.

Treasury Bills

The treasury bills market traded on a calm note, with minimal trades consummated on papers around the belly and long end of the curve. At the end of the session, average mid-rate inched up by 1bp to settle at 19.46%.

Outlook: We expect a bearish bias in tomorrow's session.

FGN Bonds

The local FGN bonds market witnessed a muted session today, as players tilted focus towards the bond auction. Although, slight activity was seen on a few papers, including the New Mar 2027, Feb 2034, 2038 and 2049 maturities. Nonetheless, market closed flat at 18.43%.

Outlook: We expect a less active session tomorrow.

Eurobonds

The Eurobond market settled on a bullish note, though it veered sideways earlier, albeit, with less volatility, as market trade cautiously ahead of US PPI and CPI scheduled to be released tomorrow and next tomorrow, respectively. Overall, the Nigerian Eurobonds closed relatively bullish, as average mid-yield declined by c.5bps to close at 9.64%.

Outlook: We expect the US PPI data and Powell's Speech to drive market activities tomorrow.

AiICO Money Market Fund (AMMF)

(As of 10th May 2024) **16.8544%**

Date	Sys. Liq. (₦'bn)	Diff.
13-May-24	-298.28	
10-May-24	81.10	↓ (379.38)

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)	32.42 (-1.50% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*83.22 (+0.51 d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates

	13-May-24	10-May-24	Change in Rates
87 days	18.15%	18.15%	→ 0.00%
178 days	18.44%	18.44%	→ 0.00%
318 days	20.50%	20.50%	→ 0.00%

Source: FMDQ DQL for 13 May 2024

Benchmark FGN Bond Yields

	13-May-24	10-May-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.46%	18.46%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	19.31%	19.31%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.59%	17.59%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.65%	17.65%	→ 0.00%

Source: FMDQ DQL for 13 May 2024

Benchmark FGN Eurobond Yields

	13-May-24	10-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.46%	8.54%	↓ -0.08%
10 yrs: NGERIA 7.875 02/16/32	9.94%	9.96%	↓ -0.02%
15 yrs: NGERIA 7.696 23/02/38	10.37%	10.39%	↓ -0.02%
30 yrs: NGERIA 9.248 01/21/49	10.24%	10.25%	↓ -0.01%
7.125% ECOTRAN 16/02/26*	7.50%	7.50%	→ 0.00%

Source: FBN UK Runs for 13 May 2024

Nigerian Equities

The Nigerian Equity market closed on a bearish note today, impacted by the significant selloff on SEPLAT (-10.00%). Although, strong demand was noticed on ZENITHBANK (+2.06%) and GTCO (+1.81%). Consequently, the All-Share Index depreciated by 0.53% to close at 97,708.74 points. The year-to-date return and market capitalization eased further to 30.67% and ₦55.26 trillion, respectively.

Trading activity improved by 27.51% and 51.25% for total volume and value traded, respectively, alongside a positive market breath of 1.26, depicting 24 advancers and 19 decliners. The Banking, Consumer and Oil & Gas Indices lost 0.75%, 0.33% and 5.90%, respectively. Meanwhile, the Industrial Index flattened. NOTORE led both the total volume charts and values charts with 74.42 million units and N4.65 billion, respectively.

Outlook: We expect the bearish bias to persist tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦11.80 (or 0.80%) to \$/₦1,478.11 compared to \$/₦1,466.31 recorded at the close of last week.

Outlook: We expect volatility to ease in the interim.

Commodities

Oil prices edged higher today after losing about \$1 a barrel in the previous session on signs that U.S. policymakers are likely to keep interest rates higher for longer. Overall, Brent oil increased by 0.39% to \$83.11 per barrel, while WTI increased by 0.72% to 78.81 per barrel. Additionally, the price of gold also declined by 1.37% to \$2,342.30 per ounce, as of writing time.

Outlook: We expect the volatility to persist.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
TIP	2.50	0.20	↑ 8.70%
TANTALIZER	0.50	0.04	↑ 8.70%
STERLINGNG	4.70	0.24	↑ 5.38%
IKEJAHOTEL	7.45	0.38	↑ 5.37%
UPL	2.25	0.10	↑ 4.65%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
SEPLAT	2962.30	-329.10	↓ -10.00%
PZ	25.00	-2.75	↓ -9.91%
ETRANZACT	5.60	-0.60	↓ -9.68%
UNITYBNK	1.68	-0.15	↓ -8.20%
NASCON	37.00	-3.00	↓ -7.50%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.53%	↓ -1.01%	↓ -0.53%	↑ 30.67%
NSE Banking Index	↓ -0.75%	↓ -3.30%	↑ 7.15%	↓ -7.52%
NSE Insurance Index	↓ -0.64%	↓ -3.59%	↓ -0.13%	↑ 17.86%
NSE Industrial Goods Index	→ 0.00%	↓ -0.17%	↑ 0.09%	↑ 72.95%
NSE Consumer Goods Index	↓ -0.33%	↓ -2.07%	↓ -0.18%	↑ 37.61%
NSE Oil & Gas Index	↓ -5.90%	↓ -6.21%	↓ -6.51%	↑ 13.64%

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