

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity declined further today, from ₦298.28 billion reported yesterday to ₦323.25 billion today. Consequently, the Open Repo Rate (OPR) increased by 83bps to 29.69%, while the Overnight Rate (O/N) increased by 98 bps to 30.59%.

Outlook: We expect interbank rates to increase further, as the FGN bond auction debit is expected to absorb significant liquidity from the financial system tomorrow.

Treasury Bills

The treasury bills market opened with a mixed bias. Subsequently, bids became scarce and offer rates trended higher. At the end of the session, despite only a few trades consummated, market closed bearish, and the average mid-rate surged from 19.46% yesterday to 19.62% today.

Outlook: We expect the bearish sentiment to linger tomorrow.

FGN Bonds

Activity in the local FGN bonds market was calm today due to the liquidity crunch. Although, selling interests were noticed on select papers. Overall, market closed on a bearish note, with an uptick in average mid-yield of c. 3bps to 18.19%.

Outlook: We expect the muted session to persist.

Eurobonds

African Eurobonds market posted a mixed trend today. The SSA started the session quiet ahead of US PPI numbers. Eventually, the US PPI data came in at 2.20% in April, higher than 1.80% seen in March. Core PPI also soar to 2.40%. Subsequently, the SSA curve reacted with a bearish theme, with selloffs across the curve. Overall, the Nigerian Eurobonds closed bearish, as average mid-yield increased by c.3bps to close at 9.67%.

Outlook: The attention of market players will now turn to tomorrow's US CPI data for April. A notable deviation from the average estimate is expected to trigger another round of volatility.

AiICO Money Market Fund (AMMF)

(As of 13th May 2024) 16.9370%

Date	Sys. Liq. (₦'bn)	Diff.
14-May-24	-323.25	
13-May-24	-298.28	↓ (24.97)

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)	32.45 (-1.41% 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

	14-May-24	13-May-24	Change in Rates
86 days	18.15%	18.15%	→ 0.00%
177 days	18.44%	18.44%	→ 0.00%
317 days	20.50%	20.50%	→ 0.00%

Source: FMDQ DQL for 14 May 2024

Benchmark FGN Bond Yields

	14-May-24	13-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	19.68%	19.31%	↑ 0.37%
20 yrs: 13.00% 21-Jan-2042	17.59%	17.59%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.51%	17.65%	↓ -0.14%

Source: FMDQ DQL for 14 May 2024

Benchmark FGN Eurobond Yields

	14-May-24	13-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.54%	8.46%	↑ 0.08%
10 yrs: NGERIA 7.875 02/16/32	9.96%	9.94%	↑ 0.02%
15 yrs: NGERIA 7.696 23/02/38	10.41%	10.37%	↑ 0.04%
30 yrs: NGERIA 9.248 01/21/49	10.24%	10.24%	→ 0.00%
7.125% ECOTRAN 16/02/26*	7.66%	7.50%	↑ 0.16%

Source: FBN UK Runs for 14 May 2024

Nigerian Equities

The Nigerian Equity market witnessed a lethargic theme, with 30.18% and 48.90% decrease in total volume and value traded. Overall, the All-Share Index shed 0.24% to close at 97,473.98 points. The year-to-date return and market capitalization were reported as 30.36% and ₦55.13 trillion, respectively. DANGSUGAR (-10.00%) and PZ (-10.00%) were the key contributors to the pull back in the broad market.

Across the sectoral indices, the Banking and Consumer Goods Indices lost 1.02% and 0.81%, respectively, while Industrial Goods Index gained 0.02% at the close of today's session and the Oil & Gas Index flattened. ACCESSCORP led the total volume charts with 33.23 million units while GTCO led the values chart with N1.36 billion.

Outlook: We expect the bearish bias to ease tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦42.29 (or 2.86%) to \$/₦1,520.40 compared to \$/₦1,478.11 recorded yesterday.

Outlook: We expect volatility to ease in the interim.

Commodities

Oil dipped as the recent U.S. PPI report suggested that inflation is still sticky. Specifically, Brent oil fell by 1.28% to \$82.29 per barrel, while WTI decreased by 1.50% to 77.84 per barrel. In contrast, the price of Gold surged higher, as it increased by 0.57% to \$2,356.30 per ounce, as of writing time.

Outlook: We expect the volatility to persist.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
LEARNAFRCA	3.63	0.33	↑ 10.00%
TANTALIZER	0.55	0.05	↑ 10.00%
MCNICHOLS	1.00	0.09	↑ 9.89%
REGALINS	0.35	0.03	↑ 9.38%
CUTIX	3.25	0.25	↑ 8.33%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
DANGSUGAR	40.50	-4.50	↓ -10.00%
PZ	22.50	-2.50	↓ -10.00%
TIP	2.25	-0.25	↓ -10.00%
NEM	9.35	-1.00	↓ -9.66%
CAVERTON	1.42	-0.15	↓ -9.55%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.24%	↓ -0.77%	↓ -0.77%	↑ 30.36%
NSE Banking Index	↓ -1.02%	↓ -1.21%	↑ 6.06%	↓ -8.47%
NSE Insurance Index	↓ -1.09%	↓ -3.22%	↓ -1.22%	↑ 16.58%
NSE Industrial Goods Index	↑ 0.02%	↓ -0.15%	↑ 0.10%	↑ 72.98%
NSE Consumer Goods Index	↓ -0.81%	↓ -2.22%	↓ -0.99%	↑ 36.49%
NSE Oil & Gas Index	→ 0.00%	↓ -6.21%	↓ -6.51%	↑ 13.64%

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