

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

Opening system liquidity plunged lower today from ₦323.25 billion yesterday to ₦560.07 billion today. Consequently, the Open Repo Rate (OPR) increased by 119bps to 30.88%, while the Overnight Rate (O/N) increased by 125 bps to 31.84%.

Outlook: We expect interbank rates to increase tomorrow.

Treasury Bills

The treasury bills market continued to trade at a sluggish pace, with unaggressive bids and offers saturating mostly around the long-dated papers. At the closing bell, market closed relatively flat, as the average mid-rate stayed at 19.62%.

Outlook: We expect market to remain tepid in the interim.

FGN Bonds

The FGN local bonds market expressed a frail theme in today's trading session. Minimal activity was observed on a few papers, including the 2038 and 2053 papers, while maintaining a bearish backdrop. Overall, market closed on a bearish note, as average mid-yield increased by 3bps to 18.22%.

Outlook: We expect a similar trend tomorrow.

Eurobonds

The African Eurobonds market witnessed a bullish theme today, with buy-side interests observed across most regions. The markets reacted positively to the CPI report for the US economy released today, which declined slightly to 3.40% y/y and 0.30% m/m, respectively, in line with estimates and c. 0.1% lower than the preceding data. Overall, the Nigerian Eurobonds closed bullish, as average mid-yield decreased by c.10bps to close at 9.57%.

Outlook: We expect the bullish bias to spill into tomorrow's session, albeit, at a less aggressive pace, as market look forward to supporting indicators.

AiICO Money Market Fund (AMMF)

(As of 13th May 2024) 16.9370%

Date	Sys. Liq. (₦'bn)	Diff.
15-May-24	-560.07	
14-May-24	-323.25	↓ (236.82)

Source: CBN

Macro Indicators

GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (April'2024)	33.69% (Mar'24: 33.20%)
External Reserve (US\$'billion)	32.55 (-1.09% 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

	15-May-24	14-May-24	Change in Rates
85 days	18.15%	18.15%	→ 0.00%
176 days	18.44%	18.44%	→ 0.00%
316 days	20.50%	20.50%	→ 0.00%

Source: FMDQ DQL for 15 May 2024

Benchmark FGN Bond Yields

	15-May-24	14-May-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	19.44%	18.46%	↑ 0.98%
10 yrs: 12.50% 27-Apr-2032	19.68%	19.68%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.59%	17.59%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.51%	17.51%	→ 0.00%

Source: FMDQ DQL for 15 May 2024

Benchmark FGN Eurobond Yields

	15-May-24	14-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	9.84%	9.96%	↓ -0.12%
15 yrs: NGERIA 7.696 23/02/38	10.29%	10.41%	↓ -0.12%
30 yrs: NGERIA 9.248 01/21/49	10.16%	10.24%	↓ -0.08%
7.125% ECOTRAN 16/02/26*	7.58%	7.66%	↓ -0.08%

Source: FBN UK Runs for 15 May 2024

Nigerian Equities

The Nigerian bourse closed bearish today, despite some gains seen on WEMABANK (+3.60%) and MTNN (+1.82%). The All-Share Index lost 0.13% to close at 97,343.42 points, due to selloffs on several tickers, bulk of which were the banking stocks. Thus, the year-to-date return and market capitalization settled at 30.18% and ₦55.06 trillion, respectively.

Across the sectoral indices, the Banking and Consumer Goods Indices lost 1.67% and 0.20%, respectively, while Industrial Goods and Oil & Gas Indices closed flattened. GTCO led both the total volume and value charts with 71.87 million units N3.04 billion.

Outlook: *We expect the bearish bias to ease tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦61.38 (or 4.04%) to \$/₦1,459.02 compared to \$/₦1,520.40 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

U.S. crude oil rose slightly higher as U.S stockpiles fell by 2.5 million barrels last week, as reported by Energy Information Administration. Brent oil gained 0.06% to \$82.43 per barrel, while WTI increased by 0.15% to 78.14 per barrel. In similar fashion, the price of Gold increased by 1.27% to \$2,389.80 per ounce, as of writing time.

Outlook: *We expect the volatility to persist.*

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
CUSTODIAN	10.25	0.90	↑ 9.63%
INTENEGINS	1.53	0.13	↑ 9.29%
SOVRENINS	0.41	0.03	↑ 7.89%
NPFMCRFBK	1.96	0.13	↑ 7.10%
CHAMPION	3.30	0.19	↑ 6.11%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
FTNCOCOA	1.44	-0.16	↓ -10.00%
PZ	20.25	-2.25	↓ -10.00%
STERLINGNG	4.01	-0.44	↓ -9.89%
TIP	2.03	-0.22	↓ -9.78%
UACN	13.40	-1.45	↓ -9.76%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.13%	↓ -0.90%	↓ -0.90%	↑ 30.18%
NSE Banking Index	↓ -1.67%	↓ -1.85%	↑ 4.29%	↓ -9.99%
NSE Insurance Index	↓ -0.43%	↓ -3.48%	↓ -1.64%	↑ 16.08%
NSE Industrial Goods Index	↑ 0.00%	↑ 0.07%	↑ 0.11%	↑ 72.99%
NSE Consumer Goods Index	↓ -0.20%	↓ -2.15%	↓ -1.18%	↑ 36.22%
NSE Oil & Gas Index	→ 0.00%	↓ -6.21%	↓ -6.51%	↑ 13.64%

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