

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity opened negative, despite showing an improvement from yesterday's balance. It increased from -₦560.07 billion to -₦427.15 billion. Consequently, the Open Repo Rate (OPR) declined by 102bps to 29.86%, while the Overnight Rate (O/N) fell by 119 bps to 30.65%.

Outlook: We expect interbank rates to cling to similar levels tomorrow.

Treasury Bills

Today, the treasury bills market showed a mixed to bullish bias. Buyside interests focused on long-dated maturities, while selling interests centered around the belly of the curve. By closing, the market was relatively bullish, with the average mid-rate decreasing slightly by c.2bps to 19.60%.

Outlook: We expect tomorrow's session to trend sideways.

FGN Bonds

The local FGN bonds market continued to trade calmly with a slight bearish undertone. Selling interests were observed on the 2031, 2033, and 2034 papers. Overall, the market closed relatively bearish, as the average mid-yield closed at 18.23%.

Outlook: Tomorrow's session is expected to trend in a similar pattern.

Eurobonds

The African Eurobond market continued to show strong bullish momentum in today's trading. There was significant buying interest across the yield curve, driven by speeches from Federal Reserve officials. Overall, the Nigerian Eurobonds closed bullish, as average mid-yield decreased by c.10bps to close at 9.54%.

Outlook: We expect the bullish bias to subside tomorrow, partly due to profit-taking, especially by short-term players.

AiICO Money Market Fund (AMMF)

(As of 13th May 2024) 16.9370%

Date	Sys. Liq. (₦'bn)	Diff.
16-May-24	-427.15	
15-May-24	-560.07	↑ 132.92

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	*83.32 (+0.71 d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates

	16-May-24	15-May-24	Change in Rates
84 days	18.15%	18.15%	→ 0.00%
175 days	18.44%	18.44%	→ 0.00%
315 days	20.50%	20.50%	→ 0.00%

Source: FMDQ DQL for 16 May 2024

Benchmark FGN Bond Yields

	16-May-24	15-May-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.46%	19.44%	↓ -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 16 May 2024

Benchmark FGN Eurobond Yields

	16-May-24	15-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.46%	8.46%	→ 0.00%
10 yrs: NGERIA 7.875 02/16/32	9.84%	9.84%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.29%	10.29%	→ 0.00%
30 yrs: NGERIA 9.248 01/21/49	10.16%	10.16%	→ 0.00%
7.125% ECOTRAN 16/02/26*	7.58%	7.58%	→ 0.00%

Source: FBN UK Runs for 16 May 2024

Nigerian Equities

The Nigerian stock market began with a bearish trend in the morning, but later shifted to a bullish tone, primarily driven by the recovery of AIRTELAFR, which gained 8.97%. As a result, the All-Share Index rose by 0.84% to finish at 98,156.71 points. The year-to-date return and market capitalization settled at 31.27% and ₦55.53 trillion, respectively.

Across the sectoral indices, the Banking, Consumer Goods and Oil & Gas Indices declined by 3.04%, 0.06% and 0.36%, respectively. The Industrial Goods Index flattened. NB led the volume charts with 83.75 million units, while AIRTELAFRI topped the values chart with N1.93 billion.

Outlook: We expect the bearish bias to ease tomorrow.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦74.97 (or 5.14%) to \$/₦1,533.99 compared to \$/₦1,459.02 recorded yesterday.

Outlook: We expect volatility to persist.

Commodities

Oil prices increased today as U.S. stockpiles fell for the second week and inflation eased. Brent oil rose by 0.62% to \$83.26 per barrel, while WTI increased by 0.85% to \$79.30 per barrel. However, the price of gold declined by 0.44% to \$2,384.30 per ounce at the time of writing.

Outlook: We expect the volatility to persist.

Top 5 Equity Advancers			
Name (Symbol)	Closing Price	Gain(N)	% Change
ROYALEX	0.55	0.05	↑ 10.00%
GUINEAINS	0.33	0.03	↑ 10.00%
AIRTELAFRI	2,150.00	177.00	↑ 8.97%
INTENEGINS	1.65	0.12	↑ 7.84%
PRESTIGE	0.54	0.03	↑ 5.88%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
ETERNA	12.30	-1.35	↓ -9.89%
FCMB	6.65	-0.60	↓ -8.28%
OMATEK	0.67	-0.05	↓ -6.94%
UNITYBNK	1.60	-0.10	↓ -5.88%
FBNH	22.95	-1.30	↓ -5.36%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.84%	↓ -0.08%	↓ -0.07%	↑ 31.27%
NSE Banking Index	↓ -3.04%	↓ -6.33%	↑ 1.12%	↓ -12.73%
NSE Insurance Index	↑ 0.51%	↓ -1.64%	↓ -1.13%	↑ 16.68%
NSE Industrial Goods Index	↓ 0.00%	↑ 0.02%	↑ 0.10%	↑ 72.99%
NSE Consumer Goods Index	↓ -0.06%	↓ -1.39%	↓ -1.24%	↑ 36.14%
NSE Oil & Gas Index	↓ -0.36%	↓ -6.23%	↓ -6.85%	↑ 13.24%

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