

Daily Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity is estimated to have opened in a deficit of ₦622.46 billion. Consequently, the Open Repo Rate (OPR) increased by 29bps to 30.25%, while the Overnight Rate (O/N) rose by 40 bps to 31.08%.

Outlook: We expect interbank rates to cling to its elevated levels tomorrow.

Treasury Bills

The treasury bills market traded slightly bearish today. The quiet session was influenced by market anticipation ahead of tomorrow's monetary policy committee decisions and Wednesday's NTB auction. As a result, the market closed relatively flat, with the average mid-rate standing at 19.69%.

Outlook: We expect tomorrow's session to maintain similar pattern.

FGN Bonds

In a similar fashion, the local FGN bonds market remained quiet throughout today's trading session, as participants stayed on the sidelines ahead of the MPC meeting. As a result, the market closed relatively flat, with the average mid-yield staying at 18.23%.

Outlook: We anticipate MPC policy decision tomorrow.

Eurobonds

Today, the Eurobonds market showed mixed trends, particularly in the African regions. Nigeria, Ghana, and Egypt experienced some buying activity in the SSA and North African regions, while Angola saw a bearish trend due to a recent interest rate hike. Overall, the average mid-yield of Nigeria's curve declined by 5 basis points to close at 9.59%.

Outlook: We expect the Eurobonds market to continue to trend sideways, while potential statements from the members of the Fed's continues to mould investors' perspective.

AiICO Money Market Fund (AMMF)

(As of 17th May 2024)

16.1361%

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)	32.64 (-0.82% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*83.28 (+0.64 d/d)

Source: NBS, CBN, AiICO Capital

Benchmark T-Bills Discount Rates

	20-May-24	17-May-24	Change in Rates
94 days	18.50%	18.50%	→ 0.00%
185 days	19.26%	19.26%	→ 0.00%
339 days	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 20 May 2024

Benchmark FGN Bond Yields

	20-May-24	17-May-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.47%	18.46%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	19.69%	19.68%	↑ 0.01%
20 yrs: 13.00% 21-Jan-2042	17.59%	17.59%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.50%	17.50%	→ 0.00%

Source: FMDQ DQL for 20 May 2024

Benchmark FGN Eurobond Yields

	20-May-24	17-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.60%	8.59%	↑ 0.01%
10 yrs: NGERIA 7.875 02/16/32	9.89%	9.89%	→ 0.00%
15 yrs: NGERIA 7.696 23/02/38	10.33%	10.33%	→ 0.00%
30 yrs: NGERIA 9.248 01/21/49	10.19%	10.19%	→ 0.00%
7.125% ECOTRAN 16/02/26*	7.58%	7.58%	→ 0.00%

Source: FBN UK UK Runs for 20 May 2024

Nigerian Equities

The Nigerian stock market opened on a bearish note, with significant selling pressure on banking stocks. However, towards the end of the session, there was an increase in buying activity, particularly in MTNN (+2.68%). Overall, the All-Share Index rose by 0.05% to close at 98,176.58 points. The year-to-date return and market capitalization settled at 31.30% and ₦55.54 trillion, respectively.

The Banking and Consumer Goods Indices declining by 1.51% and 0.03% respectively, while the Industrial and Oil & Gas Goods Indices remained flat. ACCESSCORP led both the volume and value charts with 201.31 million units and ₦3.41 billion, respectively.

Outlook: *We expect the bearish bias to linger.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦28.34 (or 1.89%) to \$/₦1,468.99 compared to \$/₦1,497.33 recorded last week Friday.

Outlook: *We expect volatility to persist.*

Commodities

Following the death of the Iranian President in a helicopter crash, oil prices saw a slight decrease. Brent oil dropped by 0.33% to \$83.70 per barrel, while WTI fell by 0.30% to \$79.82 per barrel. Conversely, the price of gold rose by 0.56% to \$2,430.90 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
MCNICHOLS	1.10	0.10	↑ 10.00%
BERGER	13.55	1.20	↑ 9.72%
REGALINS	0.34	0.03	↑ 9.68%
WAPIC	0.69	0.04	↑ 6.15%
CORNERST	2.10	0.10	↑ 5.00%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CHAMPION	2.97	-0.33	↓ -10.00%
CILEASING	3.13	-0.34	↓ -9.80%
SOVRENINS	0.37	-0.04	↓ -9.76%
CHAMS	1.50	-0.16	↓ -9.64%
RTBRISCOE	0.47	-0.05	↓ -9.62%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.05%	↑ 0.48%	↓ -0.05%	↑ 31.30%
NSE Banking Index	↓ -1.51%	↓ -6.04%	↑ 0.67%	↓ -13.11%
NSE Insurance Index	↓ -0.10%	↓ -3.46%	↓ -3.58%	↑ 13.79%
NSE Industrial Goods Index	↑ 0.00%	↑ 0.02%	↑ 0.10%	↑ 72.98%
NSE Consumer Goods Index	↓ -0.03%	↓ -0.99%	↓ -1.17%	↑ 36.24%
NSE Oil & Gas Index	→ 0.00%	↓ -0.63%	↓ -7.10%	↑ 12.93%

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