

MARKET COMMENTARY

Money Market

Opening system liquidity relatively improved today to -N760.63 billion from -N945.95 billion reported yesterday. As a result, the Open Repo Rate (OPR) contracted by 152 bps to 29.94% while the Overnight Rate (O/N) declined by 141 bps to 30.66%.

Outlook: We expect interbank rates to hover at similar levels tomorrow, subject to the total allotment at the NTB auction.

Treasury Bills

Due to today's treasury bills auction, which came just after yesterday's rate hike, the treasury bills market remained subdued. Market participants' focus shifted towards the primary market, while quotes across the curve surprisingly declined further. Consequently, the market closed on a bullish note, with the average mid-rate declining by 4 bps to 19.94%.

Outlook: The outcome of today's auction is expected to dictate tomorrow's activity, while the liquidity crunch continues to drive selling interests.

FGN Bonds

The local FGN bonds traded mixed across several papers including the 2033, 2034, and 2053 papers amongst others. Overall, market closed slightly bearish, amid the recent rate hike. Overall, the average mid-yield increased by 2bps to 18.48%.

Outlook: We expect the bearish theme to linger.

Eurobonds

The African Eurobonds market posted a bearish bias today, as market players continue to gauge the timing of rate cut, particularly drawing insights from the FOMC minutes scheduled to be released at 2pm Est. Overall, the average mid-yield of Nigeria's curve increased by 8 bp to close at 9.68%.

Outlook: Market is expected to trade sideways in the interim as the mixed economic data suggest underlying strength. Any surprises from the minutes could fuel volatility tomorrow.

Benchmark T-Bills Discount Rates			
	22-May-24	21-May-24	Change in Rates
92 days	18.50%	18.50%	→ 0.00%
183 days	19.26%	19.26%	→ 0.00%
337 days	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 22 May 2024

Benchmark FGN Bond Yields			
	22-May-24	21-May-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.47%	18.47%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	19.69%	19.69%	→ 0.00%
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 22 May 2024

Benchmark FGN Eurobond Yields			
	22-May-24	21-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.60%	8.55%	↑ 0.05%
10 yrs: NGERIA 7.875 02/16/32	9.99%	9.87%	↑ 0.12%
15 yrs: NGERIA 7.696 23/02/38	10.39%	10.33%	↑ 0.06%
30 yrs: NGERIA 9.248 01/21/49	10.24%	10.19%	↑ 0.05%
7.125% ECOTRAN 16/02/26*	7.74%	7.74%	→ 0.00%

Source: FBN UK UK Runs for 22 May 2024

Date	Sys. Liq. (N'bn)	Diff.
22-May-24	-760.63	
21-May-24	-945.95	↑ 185.32

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	16.51
AIICO BALANCED FUND	3.75
AIICO EUROBOND FUND	6.25

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)	32.72 (-0.58% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*83.09 (-0.74 d/d)

Source: NBS, CBN, AIICO Capital

DATE: Wednesday 22 May | 2024

Nigerian Equities

The Nigerian bourse closed bearish today. The All-Share Index lost 0.16%, to close at 92,128.00 points. Drilling further, advancers were less dominant, while decliners pushed the market to a bearish theme, indicating a negative market breadth of 0.68x, with 15 advancers and 22 decliners. The year-to-date return and market capitalization settled at 31.23% and ₦55.51 trillion, respectively.

Total volume and value trades increased by 21.90% and 5.56%, respectively. The Banking Index shed 2.01%, while the Industrial and Consumer Goods Indices increased by 0.18% and 0.02%, respectively. ACCESSCORP led the volume charts with 35.58 million units, while GTCO topped the value charts with N1.35 billion, respectively.

Outlook: *We expect a mixed sentiment tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦3.09 (or 0.21%) to \$/₦1,462.59 compared to \$/₦1,465.68 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices fell for a third straight session today due to expectations that the Federal Reserve may keep U.S. interest rates higher for a longer period because of sustained inflation. This could potentially impact fuel use in the world's largest oil consumer. Brent oil declined by 1.22% to \$81.87 per barrel, while WTI fell by 1.31% to \$77.63 per barrel. Similarly, the price of gold slipped by 1.23% to \$2,396.10 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
TANTALIZER	0.54	0.04	↑ 8.00%
WAPIC	0.69	0.05	↑ 7.81%
OMATEK	0.70	0.05	↑ 7.69%
JBERGER	85.00	5.70	↑ 7.19%
WAPCO	35.00	1.50	↑ 4.48%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
TIP	1.80	-0.20	↓ -10.00%
MULTIVERSE	12.40	-1.35	↓ -9.82%
CORNERST	1.90	-0.20	↓ -9.52%
DEAPCAP	0.40	-0.04	↓ -9.09%
CAVERTON	1.30	-0.12	↓ -8.45%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.16%	↑ 0.81%	↓ -0.10%	↑ 31.23%
NSE Banking Index	↓ -2.01%	↓ -5.25%	↓ -1.19%	↓ -14.72%
NSE Insurance Index	↓ -0.87%	↓ -3.19%	↓ -4.78%	↑ 12.37%
NSE Industrial Goods Index	↑ 0.18%	↑ 0.17%	↑ 0.28%	↑ 73.29%
NSE Consumer Goods Index	↑ 0.02%	↑ 0.83%	↓ -0.37%	↑ 37.35%
NSE Oil & Gas Index	→ 0.00%	↓ -0.63%	↓ -7.10%	↑ 12.93%

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