

MARKET COMMENTARY

Money Market

Opening system liquidity worsened to ₦787.46 billion from ₦760.63 billion reported yesterday. Thus, the Open Repo Rate (OPR) increased by 178 bps to 31.72% while the Overnight Rate (O/N) increased by 168 bps to 32.34%.

Outlook: We expect interbank rates to increase tomorrow.

Treasury Bills

The T-bills market witnessed improved offers on the newly issued paper (22-May-2025) earlier in the day. However, unmet bids came in for the mid and long-dated papers, which pushed yields lower. Towards the end of the session, market retraced to a slightly bearish theme, following the OMO bills auction announcement by the CBN, where ₦500.00 billion will be offered across 3 maturities tomorrow. Consequently, market closed bearish, as the average mid-rate increased to 20.30%.

Outlook: We expect a cautious trading activity tomorrow as players shift their focus to the OMO auction.

FGN Bonds

The local FGN bonds showed a calm posture across several papers. Noticeably, minimal buying interests came in for the 2034 and 2053 papers. Nonetheless, market closed relatively flat, with the average mid-yield revolving at 18.49%.

Outlook: We expect a slight increase in momentum tomorrow.

Eurobonds

Today, the African Eurobonds market extended its bearish posture across some of the SSA and North African papers, on the back of hawkish Fed's minutes. Overall, the average mid-yield of Nigeria's curve increased by 15 bp to close at 9.83%.

Outlook: We expect the bearish sentiment to linger tomorrow, although, with less aggression.

Benchmark T-Bills Discount Rates			
	23-May-24	22-May-24	Change in Rates
91 days	16.18%	18.50%	↓ -2.32%
182 days	19.26%	19.26%	→ 0.00%
336 days	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 23 May 2024

Benchmark FGN Bond Yields			
	23-May-24	22-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 23 May 2024

Benchmark FGN Eurobond Yields			
	23-May-24	22-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.74%	8.60%	↑ 0.14%
10 yrs: NGERIA 7.875 02/16/32	10.10%	9.94%	↑ 0.16%
15 yrs: NGERIA 7.696 23/02/38	10.53%	10.39%	↑ 0.14%
30 yrs: NGERIA 9.248 01/21/49	10.35%	10.24%	↑ 0.11%
7.125% ECOTRAN 16/02/26*	7.74%	7.74%	→ 0.00%

Source: FBN ZENITHBK UK Runs for 23 May 2024

Date	Sys. Liq. (₦'bn)	Diff.
23-May-24	-787.46	
22-May-24	-760.63	↓ (26.83)

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)	32.73 (-0.56% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*81.59 (-0.34 d/d)

Source: NBS, CBN, AIICO Capital

DATE: Thursday 23 May | 2024

Nigerian Equities

The Nigerian equity market closed bearish today, with several banking and consumer goods tickers in the red. To add, total advancers stood at 17, while decliners amounted to 28, leading to a negative market breath of 0.61. The All-Share Index fell by 0.15%, to close at 97,978.02 points. The year-to-date return and market capitalization settled at 31.03% and ₦55.42 trillion, respectively.

Total volume and value trades increased by 16.47% and 41.67%, respectively. The Banking and Consumer Goods Indices shed 1.42% and 0.05%, respectively, while the Oil & Gas Index gained 0.72%. Meanwhile, the Industrial Goods Index flattened. UBA led the volume charts with 50.32 million units, while JBERGER topped the value charts with N1.46 billion, respectively.

Outlook: *We expect similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦23.07 (or 1.58%) to \$/₦1,485.66 compared to \$/₦1,462.59 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices closed lower today, in the absence of any significant bullish catalyst. Brent oil declined by 0.34% to \$81.59 per barrel, while WTI fell by 0.55% to \$77.14 per barrel. Similarly, the price of gold declined by 2.09% to \$2,342.80 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
CILEASING	3.44	0.31	↑ 9.90%
CAVERTON	1.40	0.10	↑ 7.69%
CHAMS	1.50	0.10	↑ 7.14%
CONHALLPLC	1.38	0.08	↑ 6.15%
VERITASKAP	0.59	0.03	↑ 5.36%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss (N)	% Change
SKYAVN	20.70	-2.25	↓ -9.80%
NEM	7.65	-0.80	↓ -9.47%
FTNCOCOA	1.26	-0.13	↓ -9.35%
TANTALIZER	0.49	-0.05	↓ -9.26%
JAPAULGOLD	1.74	-0.16	↓ -8.42%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.15%	↓ -0.18%	↓ -0.25%	↑ 31.03%
NSE Banking Index	↓ -1.42%	↓ -3.66%	↓ -2.59%	↓ -15.92%
NSE Insurance Index	↓ -1.90%	↓ -5.51%	↓ -6.58%	↑ 10.24%
NSE Industrial Goods Index	→ 0.00%	↑ 0.18%	↑ 0.28%	↑ 73.29%
NSE Consumer Goods Index	↓ -0.05%	↑ 0.83%	↓ -0.42%	↑ 37.28%
NSE Oil & Gas Index	↑ 0.72%	↑ 0.45%	↓ -6.43%	↑ 13.75%

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