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AIICO
CAPITAL

MARKET COMMENTARY

Money Market

Opening system liquidity returned to its negative territory at -₦46.00 billion from ₦170.43 billion reported last week Friday, following the settlement of the OMO auction. Nevertheless, the Open Repo Rate (OPR) contracted by 171 bps to 30.69% while the Overnight Rate (O/N) declined by 156 bps to 31.44%.

Outlook: We expect interbank rates to hover at similar bands tomorrow.

Treasury Bills

The treasury bills market saw some selective buying in the middle and long-term maturities, although the pace was less aggressive. Overall, the market ended on a positive note, with the average mid-rate falling by 8 bps to 20.22%.

Outlook: We expect the bullish sentiment to ease tomorrow.

FGN Bonds

The local FGN bonds displayed a similar trend, with significant interest in the 2049, 2050 and 2053 maturities. At the close of the market, it settled slightly bullish, with the average mid-yield decreasing by 3bps to close at 18.47%.

Outlook: We expect a calm session tomorrow.

Eurobonds

Today, the African Eurobonds market witnessed a quiet session, given the US Memorial Holiday. Overall, the average mid-yield of Nigeria's curve remained relatively unchanged at 9.77%.

Outlook: We expect activities to improved tomorrow.

Benchmark T-Bills Discount Rates			
	27-May-24	24-May-24	Change in Rates
87 days	17.17%	16.18%	↑ 0.99%
178 days	19.26%	19.26%	→ 0.00%
332 days	20.30%	20.30%	→ 0.00%

Source: FMDQ DQL for 27 May 2024

Benchmark FGN Bond Yields			
	27-May-24	24-May-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.48%	18.47%	↑ 0.01%
10 yrs: 12.50% 27-Apr-2032	19.69%	19.69%	→ 0.00%
20 yrs: 13.00% 21-Jan-2042	17.00%	17.00%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	17.50%	17.50%	→ 0.00%

Source: FMDQ DQL for 27 May 2024

Date	Sys. Liq. (₦'bn)	Diff.
27-May-24	-46.00	
24-May-24	170.43	↓ (216.43)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	18.06
AIICO BALANCED FUND	3.81
AIICO EUROBOND FUND	6.26

Macro Indicators	
GDP (Q1 2024)	+2.98% (Q4: 2023 +3.46% y/y)
Inflation (April'2024)	33.69% (Mar'24: 33.20%)
External Reserve (US\$' billion)	32.74 (-0.52% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*82.90 (+0.92 d/d)

Source: NBS, CBN, AIICO Capital



Nigerian Equities

The Nigerian stock market ended on a positive note, with increased buying in banking stocks such as FIDELITYBK (+8.43%), UBA (+5.73%), and ACCESSCORP (3.35%). The market breadth was negative at 0.68X, indicating 15 advancers and 22 decliners. The All-Share Index rose by 0.26% to close at 97,863.34 points. The year-to-date return and market capitalization were at 30.88% and ₦55.36 trillion, respectively. Total volume and value trades decreased by 52.28% and 62.27%, respectively.

Furthermore, the Banking, Consumer Goods, and Oil & Gas Indices increased by 2.45%, 0.15%, and 1.02%, respectively, while the Industrial Goods Index remained unchanged. ACCESSCORP topped both the volume and value charts with 176.23 million units and ₦2.99 billion, respectively.

Outlook: *We expect similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦143.48 (or 9.68%) to \$/₦1,339.33 compared to \$/₦1,482.81 recorded last week Friday.

Outlook: *We expect volatility to persist.*

Commodities

Today, oil prices rose as markets anticipated the outcome of the OPEC+ meeting scheduled for June 2, where producers are expected to discuss maintaining voluntary output cuts for the rest of the year. Brent oil increased by 1.23% to \$83.13 per barrel, while WTI rose by 1.33% to \$78.76 per barrel. Similarly, the price of gold increased by 0.89% to \$2,355.00 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
JOHNHOLT	2.17	0.19	↑ 9.60%
FIDELITYBK	9.00	0.70	↑ 8.43%
CONOIL	105.00	8.10	↑ 8.36%
MBENEFIT	0.56	0.04	↑ 7.69%
JAIZBANK	2.29	0.13	↑ 6.02%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CAVERTON	1.26	-0.14	↓ -10.00%
CWG	5.40	-0.60	↓ -10.00%
CILEASING	3.13	-0.31	↓ -9.01%
FTNCOCOA	1.10	-0.10	↓ -8.33%
RTBRISCOE	0.44	-0.04	↓ -8.33%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.26%	↓ -0.32%	↓ -0.37%	↑ 30.88%
NSE Banking Index	↑ 2.45%	↓ -3.62%	↓ -2.97%	↓ -16.26%
NSE Insurance Index	↓ -0.72%	↓ -4.11%	↓ -7.54%	↑ 9.12%
NSE Industrial Goods Index	↓ 0.00%	↑ 0.19%	↑ 0.29%	↑ 73.30%
NSE Consumer Goods Index	↑ 0.15%	↑ 0.49%	↓ -0.69%	↑ 36.91%
NSE Oil & Gas Index	↑ 1.02%	↑ 1.75%	↓ -5.48%	↑ 14.90%

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