

**Actionable
Market Insights,
delivered daily.**

**AIICO
CAPITAL**

MARKET COMMENTARY

Money Market

System liquidity remained at a deficit today, as it opened at ₦153.52 billion compared to ₦46.00 billion yesterday. Consequently, the Open Repo Rate (OPR) rose by 72 basis points to 31.41%, while the Overnight Rate (O/N) increased by 64 basis points to 32.08%.

Outlook: We expect interbank rates to increase tomorrow.

Treasury Bills

Today's trading showed a mixed bias in the treasury bills market. There was activity across various papers, including August 2024, April 2025, and May 2025 maturities. By the closing bell, the market settled bearish, with the average mid-rate rising by 3 bps to 20.25%.

Outlook: We expect the market to trade quietly tomorrow, with a bearish undertone, following the announcement of a ₦500.00 billion OMO auction across the three tenors.

FGN Bonds

The local FGN bonds showed a mixed to bearish sentiment today. Bids and offers were spread across specific papers, but overall momentum remained weak. Interest focused on the 2027, 2032, 2034, 2049, and 2053 papers. The market closed bearish, with the average mid-yield increasing by 5bps to 18.52%.

Outlook: We expect a mixed to bearish bias tomorrow.

Eurobonds

Today, the African Eurobonds market displayed a bullish sentiment across the curve, after yesterday's holiday-induced calmness. At the close of the session, market closed bearish, as average mid-yield of Nigeria's curve increased by 8bps to 9.85%.

Outlook: We expect activities to improved tomorrow.

Benchmark T-Bills Discount Rates

	28-May-24	27-May-24	Change in Rates	
86 days	16.90%	17.17%	↓	-0.27%
177 days	19.26%	19.26%	→	0.00%
331 days	20.30%	20.30%	→	0.00%

Source: FMDQ DQL for 28 May 2024

Benchmark FGN Bond Yields

	28-May-24	27-May-24	Change in Yield	
5 yrs: 16.2884% 17-Mar-2027	18.48%	18.48%	→	0.00%
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 28 May 2024

Benchmark FGN Eurobond Yields

	28-May-24	24-May-24	Change in Yield	
5 yrs: NGERIA 6 1/2 11/28/27	7.26%	8.65%	↓	-1.39%
10 yrs: NGERIA 7.875 02/16/32	10.15%	10.10%	↑	0.05%
15 yrs: NGERIA 7.696 23/02/38	10.72%	10.51%	↑	0.21%
30 yrs: NGERIA 9.248 01/21/49	10.36%	10.35%	↑	0.01%
7.125% ECOTRAN 16/02/26*	7.83%	7.83%	→	0.00%

Source: FBN ZENITHBK UK Runs for 28 May 2024

Date	Sys. Liq. (₦'bn)	Diff.
28-May-24	-153.52	
27-May-24	-46.00	↓ (107.52)

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	*83.49 (+0.47 d/d)

Source: NBS, CBN, AIICO Capital



Nigerian Equities

The Nigerian stock market ended on a positive note today, with increased activity in the consumer goods and oil & gas sectors. Notable gainers included DANGSUGAR (+10.00%), TRANSCORP (+8.57%), and SEPLAT (+3.33%). Market breadth was positive with 28 advancers and 14 decliners, resulting in a 2.00X ratio. The All-Share Index increased by 0.53% to close at 98,383.04 points. The year-to-date return and market capitalization stood at 31.57% and ₦55.65 trillion, respectively. Total volume and value of trades rose by 52.49% and 10.85%, respectively.

Furthermore, the Banking, Consumer Goods, and Oil & Gas Indices increased by 2.39%, 1.11%, and 1.88%, respectively, while the Industrial Goods Index declined by 0.20%. ABBEYBDS led the volume charts with 277.53 million unit, while SEPLAT led the values chart with ₦1.60 billion, respectively.

Outlook: *We expect similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) appreciated by ₦165.45 (or 12.35%) to \$/₦1,173.88 compared to \$/₦1,339.33 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

The price of crude oil increased today after experiencing a loss last week, with the market's attention turning to an important upcoming OPEC+ meeting. Brent oil rose by 0.87% to \$83.82 per barrel, while WTI increased by 2.32% to \$79.52 per barrel. Additionally, the price of gold went up 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
DANGSUGAR	42.90	3.90	↑ 10.00%
NASCON	37.25	3.35	↑ 9.88%
MORISON	4.45	0.40	↑ 9.88%
PZ	21.70	1.90	↑ 9.60%
TRANSCORP	11.40	0.90	↑ 8.57%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
SOVRENINS	0.38	-0.04	↓ -9.52%
UNIVINSURE	0.33	-0.03	↓ -8.33%
TIP	1.71	-0.09	↓ -5.00%
WAPCO	33.30	-1.70	↓ -4.86%
AFRIPRUD	6.65	-0.30	↓ -4.32%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.53%	↑ 0.21%	↑ 0.16%	↑ 31.57%
NSE Banking Index	↑ 2.39%	↓ -1.32%	↓ -0.66%	↓ -14.26%
NSE Insurance Index	↑ 0.74%	↓ -3.40%	↓ -6.85%	↑ 9.92%
NSE Industrial Goods Index	↓ -0.20%	↓ -0.01%	↑ 0.09%	↑ 72.96%
NSE Consumer Goods Index	↑ 1.11%	↑ 1.61%	↑ 0.42%	↑ 38.43%
NSE Oil & Gas Index	↑ 1.88%	↑ 3.66%	↓ -3.70%	↑ 17.07%

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