

**Actionable
Market Insights,
delivered daily.**

**AIICO
CAPITAL**

DATE: Wednesday 29 May | 2024

MARKET COMMENTARY

Money Market

Opening System liquidity improved today from ₦153.52 billion recorded yesterday to ₦478.97 billion today. Consequently, the Open Repo Rate (OPR) and Overnight Rate (O/N) declined by 9 bps and 8bps to 31.32% and 32.00%, respectively.

Outlook: We expect interbank rates to increase tomorrow.

Treasury Bills

The treasury bills market remained calm, albeit with a bearish bias, as attention shifted towards the OMO auction. The CBN offered OMO bills worth ₦500.00 billion, with total subscriptions amounting to ₦903.78 billion. The CBN sold ₦500.00 billion, in line with the offer size, with approximately 99% of the sales skewed to the long-dated paper. There were no bids on the short-term paper, and the stop rates for the medium- and long-dated papers decreased by 10bps and 15bps to 19.64% and 22.34% respectively, compared to the previous auction. Overall, the average mid-rate increased by 23bps to 20.48%.

In other news, the DMO released the Q3 2024 NTB Issuance calendar today, with a total size of ₦1.56 trillion expected to be issued between June and August 2024.

Outlook: We expect a mixed sentiment tomorrow.

FGN Bonds

The local FGN bonds displayed a muted theme, with minimal interests on the 2034, 2037 and 2038 maturities. Overall, market closed relatively bullish, as the average mid-yield decreased by 2bps to 18.50%.

Outlook: We expect similar session tomorrow.

Eurobonds

Today, the African Eurobond market showed a bearish trend ahead of the release of US GDP and PCE Price Index data. At the close of the session, the market closed bearish, with the average mid-yield of Nigeria's curve increasing by 5 basis points to 9.90%.

Outlook: We expect sentiment to be impacted by the US Q1 '24 GDP data tomorrow.

Benchmark T-Bills Discount Rates

	29-May-24	28-May-24	Change in Rates
85 days	16.90%	16.90%	→ 0.00%
176 days	19.26%	19.26%	→ 0.00%
330 days	20.31%	20.30%	↑ 0.01%

Source: FMDQ DQL for 29 May 2024

Benchmark FGN Bond Yields

	29-May-24	28-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 29 May 2024

Benchmark FGN Eurobond Yields

	29-May-24	28-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.78%	7.26%	↑ 1.52%
10 yrs: NGERIA 7.875 02/16/32	10.18%	10.15%	↑ 0.03%
15 yrs: NGERIA 7.696 23/02/38	10.61%	10.72%	↓ -0.11%
30 yrs: NGERIA 9.248 01/21/49	10.39%	10.36%	↑ 0.03%
7.125% ECOTRAN 16/02/26*	7.83%	7.83%	→ 0.00%

Source: FBN UKRuns for 29 May 2024

Date	Sys. Liq. (₦'bn)	Diff.
29-May-24	478.98	
28-May-24	-153.52	↑ 632.50

Source: CBN

NAME OF FUND EFFECTIVE YIELD (%)

AIICO MONEY MARKET FUND	18.21
AIICO BALANCED FUND	4.19
AIICO EUROBOND FUND*	6.26

As of 28 May 2024

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)	32.69 (-0.66% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*83.96 (+0.31 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market had another bullish trading day, with buyers dominating across multiple stocks. Market breadth remained positive at 2.07x, with 31 advancers and 15 decliners. The All-Share Index rose by 0.44% to close at 98,818.04 points. The year-to-date return and market capitalization were at 32.16% and ₦55.90 trillion, respectively. Total volume and value of trades decreased by 7.27% and 27.60%, respectively.

Additionally, the Banking, Industrial Goods, and Consumer Goods sectors rose by 2.30%, 0.08%, and 0.85%, respectively, while the Oil & Gas index remained unchanged. ABBEYBDS led the volume charts with 230.35 million units, while ACCESSCORP led the values chart with ₦1.39 billion.

Outlook: *We expect similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦155.77 (or 13.27%) to \$/₦1,329.65 compared to \$/₦1,173.88 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices ranged today, ahead of market expectation for output cut to remain in place. Brent oil dropped by 0.77% to \$83.56 per barrel, while WTI decreased by 0.71% to \$79.26 per barrel. Additionally, the price of gold fell by 0.77% to \$2,360.90 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
ABBEYBDS	2.70	0.24	↑ 9.76%
NASCON	40.85	3.60	↑ 9.66%
FCMB	7.40	0.65	↑ 9.63%
INTBREW	4.00	0.35	↑ 9.59%
DANGSUGAR	47.00	4.10	↑ 9.56%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
INTENEGINS	1.40	-0.15	↓ -9.68%
JAIZBANK	2.15	-0.15	↓ -6.52%
TANTALIZER	0.47	-0.03	↓ -6.00%
NPFMCRFBK	1.60	-0.10	↓ -5.88%
FIDSON	14.90	-0.85	↓ -5.40%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.44%	↑ 0.70%	↑ 0.60%	↑ 32.16%
NSE Banking Index	↑ 2.30%	↑ 2.85%	↑ 1.63%	↓ -12.28%
NSE Insurance Index	↑ 1.14%	↓ -1.07%	↓ -5.80%	↑ 11.17%
NSE Industrial Goods Index	↑ 0.08%	↓ -0.11%	↑ 0.17%	↑ 73.10%
NSE Consumer Goods Index	↑ 0.85%	↑ 1.65%	↑ 1.27%	↑ 39.61%
NSE Oil & Gas Index	→ 0.00%	↑ 3.66%	↓ -3.70%	↑ 17.07%

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission and is licensed to provide fund and portfolio management services in Nigeria.