

**Actionable
Market Insights,
delivered daily.**

**AIICO
CAPITAL**

DATE: Thursday 30 May | 2024

MARKET COMMENTARY

Money Market

System liquidity opened in negative territory at ₦350.55 billion, a significant shift from the previous day's ₦478.97 billion positive, due to the OMO auction that occurred yesterday. Despite this, the Open Repo Rate (OPR) and Overnight Rate (O/N) both declined by 248 bps and 244 bps to 28.84% and 29.56%, respectively.

Outlook: We expect interbank rates to increase tomorrow.

Treasury Bills

The treasury bills market experienced mixed activity, with sideways interest observed in papers maturing between February and May 2024. However, the primary focus was on the newly issued 27 May 2025 OMO paper, which saw trades executed within the range of 21.50% to 21.85%. Overall, the average mid-rate across the NTB curve increased by 2 bps, reaching 20.50%.

Outlook: We expect the mixed sentiment to persist tomorrow.

FGN Bonds

The local FGN bonds market remained calm in today's trading, though with a bullish undertone. Notable interest was observed in the 2042, 2049, 2050, and 2053 maturities from traditional buyside players. Consequently, the average mid-yield decreased by 5 bps, closing at 18.41%.

Outlook: We expect similar session tomorrow.

Eurobonds

The SSA Eurobond market maintained a bearish posture throughout today's trading. However, Egypt's curve initially displayed a bearish theme in the early hours but shifted to a bullish trend towards the market close.

Meanwhile, the US Q1 2024 GDP data was revised down to 1.30% from the previously reported 1.60%, indicating a slower pace of consumer spending. By the end of the session, some losses were pared back, with the average mid-yield falling by 6bps to settle at 9.75%.

Outlook: Tomorrow, the spotlight will be on the PCE Price Index. As of now, the average market expectation is that the Fed's preferred measure of inflation will remain unchanged compared to the previous reading.

Benchmark T-Bills Discount Rates

	30-May-24	29-May-24	Change in Rates
85 days	17.55%	16.90%	↑ 0.65%
175 days	19.26%	19.26%	→ 0.00%
329 days	20.31%	20.31%	→ 0.00%

Source: FMDQ DQL for 30 May 2024

Benchmark FGN Bond Yields

	30-May-24	29-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	19.70%	19.69%	↑ 0.01%
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 30 May 2024

Benchmark FGN Eurobond Yields

	30-May-24	29-May-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.61%	8.78%	↓ -0.17%
10 yrs: NGERIA 7.875 02/16/32	10.05%	10.18%	↓ -0.13%
15 yrs: NGERIA 7.696 23/02/38	10.55%	10.61%	↓ -0.06%
30 yrs: NGERIA 9.248 01/21/49	10.32%	10.39%	↓ -0.07%
7.125% ECOTRAN 16/02/26*	7.83%	7.83%	→ 0.00%

Source: FBN UKRuns for 30 May 2024

Date	Sys. Liq. (₦'bn)	Diff.
30-May-24	-350.55	
29-May-24	478.98	↓ (829.53)

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)	32.68 (-0.71% YTD)
Monetary Policy Rate	26.25%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*83.13 (-0.50 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market maintained its bullish momentum, driven by continued demand for SEPLAT (+10.00%) and selective buying in other profitable tickers such as FCMB (+7.43%), FIDELITYBK (+4.21%), and ZENITHBANK (+1.54%). Overall sentiment remained positive, as evidenced by the market breadth, which showed a ratio of 2.67x (32 advancers to 12 decliners).

The All-Share Index increased by 0.46% to close at 99,276.03 points. Year-to-date return stood at 32.77%, with the market capitalization at ₦56.16 trillion. Despite a 40.32% decline in total volume traded, the total value traded rose by 14.04%.

The Banking and Oil & Gas Indices gained 1.37% and 5.98%, respectively, while the Industrial and Consumer Goods Indices fell by 0.01% and 0.11%, respectively. ACCESSCORP led the volume charts with 39.23 million units traded, whereas ZENITHBANK topped the value charts with ₦1.31 billion.

Outlook: *We expect similar trend tomorrow.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦155.10 (or 11.66%) to \$/₦1,484.75 compared to \$/₦1,329.65 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Oil prices showed minimal volatility today. Brent crude decreased by 0.56% to \$83.13 per barrel, while WTI fell by 0.40% to \$79.91 per barrel. Conversely, Gold prices slightly rebounded after U.S. economic data raised hopes that the Federal Reserve is on track to cut interest rates this year. Consequently, the price of gold increased by 0.01% to \$2,342.10 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
INTENEGINS	1.54	0.14	↑ 10.00%
SEPLAT	3,410.00	310.00	↑ 10.00%
ETERNA	12.25	1.10	↑ 9.87%
CONHALLPLC	1.34	0.12	↑ 9.84%
JAPAUFGOLD	2.03	0.18	↑ 9.73%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
CORNERST	1.76	-0.17	↓ -8.81%
INTBREW	3.65	-0.35	↓ -8.75%
PRESTIGE	0.54	-0.05	↓ -8.47%
UNIVINSURE	0.33	-0.02	↓ -5.71%
STERLINGNG	4.03	-0.17	↓ -4.05%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.46%	↑ 1.32%	↑ 1.07%	↑ 32.77%
NSE Banking Index	↑ 1.37%	↑ 5.76%	↑ 3.03%	↓ -11.08%
NSE Insurance Index	↑ 0.43%	↑ 1.27%	↓ -5.40%	↑ 11.65%
NSE Industrial Goods Index	↓ -0.01%	↓ -0.12%	↑ 0.16%	↑ 73.08%
NSE Consumer Goods Index	↓ -0.11%	↑ 1.58%	↑ 1.16%	↑ 39.45%
NSE Oil & Gas Index	↑ 5.98%	↑ 9.08%	↑ 2.06%	↑ 24.07%

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