

Weekly Financial Market Update

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MARKET COMMENTARY

Money Market

System liquidity consistently increased this week to open at a positive balance of ₦19.61 billion today, from -₦606.76 billion reported last week Friday. Overall, the Open Repo Rate (OPR) declined by 400bps to 26.25%, while the Overnight Rate (O/N) decreased by 417 bps to 27.08% when compared to the previous week.

Outlook: We expect interbank rates to hover at similar levels next week.

Treasury Bills

The treasury bills market settled bearish this week, as average mid-rate increased by 9bps w/w to close the week at 19.04%. To expatiate, momentum was broadly calm, albeit, with most trades consummated occasionally around the long-dated papers.

Outlook: We expect attention to be shifted towards the NTB auction next week, as the DMO is set to auction ₦179.36 billion.

FGN Bonds

This week, the local FGN bonds market experienced a surge in bullish activity. As a result, the average mid-yield saw a decline of 41bps w/w and closed the week at 18.54%. While the momentum was not aggressive overall, most activities were focused on the 2026, Mar 2027, Feb 2034, and Jul 2034 maturities. At the end of the week, the DMO revised the Q2'2024 FGN Bond Issuance calendar, replacing the Feb 2034 paper with a new May 2033 (9-year) paper.

Outlook: We expect the mixed trend to persist next week.

Eurobonds

The Eurobond market had mixed results. However, the Nigerian papers experienced a bullish trend, with mid-yield decreasing by 17bps w/w to settle at 9.66%. Despite the hawkish stance of the FOMC during the week, which saw the retention of the benchmark interest rate at 5.50%, the market remained bullish. In his subsequent speech, Fed Chair Powell hinted that U.S. rates will remain high for a long time, even though he acknowledged a loss of momentum in the inflation fight. He, however, ruled out additional increases. The US Bureau of Labor Statistics reported an increase of 175,000 in Nonfarm Payrolls (NFP) in the US at the end of the week. This figure followed a revised March increase of 315,000, initially reported as 303,000, but fell short of the market expectation of 238,000. Additionally, the unemployment rate for April was 3.9%, slightly higher than the expected 3.8%.

Outlook: We expect the mixed sentiment to persist next week.

AICO Money Market Fund (AMMF)

Net Yield (As at 29th April 2024) 15.3613%

Date	Sys. Liq. (₦'bn)	Diff.
3-May-24	19.61	
26-Apr-24	-606.76	↑ 626.37

Source: CBN

Macro Indicators

GDP (Q4 2023)	+3.46% (Q3: 2023 +2.54% y/y)
Inflation (March'2024)	33.20% (Feb'24: 31.70%)
External Reserve (US\$'billion)	32.25 (-2.00% YTD)
Monetary Policy Rate	24.75%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*83.25 (-6.98% w/w)

Source: NBS, CBN, AICO Capital

Benchmark T-Bills Discount Rates

	03-May-24	26-Apr-24	Change in Rates
83 days	18.05%	18.05%	→ 0.00%
174 days	18.73%	18.73%	→ 0.00%
328 days	21.35%	21.35%	→ 0.00%

Source: FMDQ DQL for 03 May 2024 and 26 Apr 2024

Benchmark FGN Bond Yields

	03-May-24	26-Apr-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.45%	18.45%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	19.25%	19.65%	↓ -0.40%
20 yrs: 13.00% 21-Jan-2042	18.69%	18.69%	→ 0.00%
30 yrs: 12.98% 27-Mar-2050	18.33%	18.33%	→ 0.00%

Source: FMDQ DQL for 03 May 2024 and 26 Apr 2024

Benchmark FGN Eurobond Yields

	03-May-24	26-Apr-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.57%	8.73%	↓ -0.16%
10 yrs: NGERIA 7.875 02/16/32	9.88%	10.03%	↓ -0.15%
15 yrs: NGERIA 7.696 23/02/38	10.34%	10.52%	↓ -0.18%
30 yrs: NGERIA 9.248 01/21/49	10.24%	10.42%	↓ -0.18%
7.125% ECOTRAN 16/02/26*	8.11%	8.96%	↓ -0.85%

Source: ZENITH UK Runs for 03 May 2024 and 26 Apr 2024

Nigerian Equities

The Nigerian Equity market was stirred up this week, with several cherry-picking activities across most bellwether tickers, especially the banking stocks. Despite starting the week on a bearish footing, buyers dominated in the second half of the week. Overall, the All-Share Index appreciated by 1.46%, w/w to close at 99,587.25 points. The year-to-date return and market capitalization stood at 33.18% and ₦56.32 trillion, respectively.

The Consumer Goods, Industrial and Oil & Gas indices lost 0.26%, 0.36% and 0.68%, respectively, while the Banking and Oil & Gas Indices gained 8.67%, week-on-week. ABBEYBDS led the total volume charts with 362.84 million units, while GTCO topped the value chart with N8.73 billion in value.

Outlook: We expect a momentum to heighten further next week.

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦61.17 (or 4.57%) to \$/₦1,400.40 compared to \$/₦1,339.23 recorded at the close of last week.

Outlook: We expect volatility to persist next week.

Commodities

Oil prices were set to experience a weekly loss, as concerns about the demand for oil and high interest rates drove selling interest. Brent crude fell by 6.98% to \$83.25 per barrel, while WTI has declined by 6.42% to \$78.47 per barrel during the same period. Additionally, the price of gold has also dropped by 1.85% to \$2,303.70 per ounce in the same week.

Outlook: We expect the volatility to persist.

Top 5 Equity Advancers W-o-W

Name (Symbol)	Closing Price	Gain(N)	% Change
FBNH	27.00	6.65	↑ 32.68%
STERLINGNG	4.88	1.06	↑ 27.75%
UACN	15.45	3.05	↑ 24.60%
JBERGER	72.40	13.90	↑ 23.76%
FLOURMILL	36.80	6.30	↑ 20.66%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W

Name (Symbol)	Closing Price	Loss(N)	% Change
NASCON	43.60	-8.95	↓ -17.03%
UPL	2.05	-0.41	↓ -16.67%
NEIMETH	1.70	-0.28	↓ -14.14%
BERGER	13.70	-1.50	↓ -9.87%
VITAFOAM	17.00	-1.85	↓ -9.81%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.83%	↑ 1.46%	↑ 1.39%	↑ 33.18%
NSE Banking Index	↑ 4.68%	↑ 8.67%	↑ 8.03%	↓ -6.76%
NSE Insurance Index	↑ 0.86%	↑ 0.98%	↑ 1.54%	↑ 19.83%
NSE Industrial Goods Index	↑ 0.01%	↓ -0.36%	↑ 0.01%	↑ 72.83%
NSE Consumer Goods Index	↑ 0.76%	↓ -0.26%	↑ 1.34%	↑ 39.71%
NSE Oil & Gas Index	↓ -1.26%	↓ -0.68%	↓ -0.32%	↑ 21.17%

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