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Market Insights,
delivered daily.**

**AIICO
CAPITAL**

DATE: Tuesday 04 June | 2024

MARKET COMMENTARY

Money Market

System liquidity opened positively today at ₦345.29 billion, a significant increase from the ₦79.51 billion reported yesterday. Overall, the Open Repo Rate (OPR) decreased by 124 bps to 27.94%, while the Overnight Rate (O/N) declined by 132 bps to 28.50%.

Outlook: We expect interbank rates to increase tomorrow.

Treasury Bills

The treasury bills market showed mixed sentiment, particularly for the longer-dated papers. It then eased to a bearish theme, as rates rose following the announcement of the OMO auction. The CBN offered a total of ₦250.00 billion across the 105-Day, 189-Day, and 357-Day papers, with about 94% of the total subscription skewed towards the long-dated paper. The CBN allotted ₦513.95 billion worth of OMO bills, which was ₦5 billion below the total subscription value. Stop rates across the three tenors were 18.74%, 19.59%, and 22.33%, respectively, slightly lower than the previous stop rates. Overall, the market closed bearish, with the average mid-rate increasing by 19bps to 20.43%.

Outlook: We expect a mixed posture tomorrow.

FGN Bonds

The local FGN bond market remained less aggressive despite a mixed-to-bearish bias, particularly for select papers such as 2037, 2049, and 2053 maturities. The overall market closed bearish, with the average mid-yield increasing by 3bps to 18.52%.

Outlook: We expect the mixed sentiment to resurface tomorrow.

Eurobonds

The Eurobonds market started off on a calm note. However, market leaned towards a bearish theme, spilling across both the SSA and North African regions. Meanwhile, the U.S Job openings for April was reported lower at 8.1 million, from 8.4 million openings in the preceding month. Overall, the average mid-yield increased by 9bps to settle at 9.68%.

Outlook: We expect market to continue to trade sideways in the interim.

Benchmark T-Bills Discount Rates			
	04-Jun-24	03-Jun-24	Change in Rates
79 days	17.17%	17.17%	→ 0.00%
170 days	19.26%	19.26%	→ 0.00%
324 days	20.31%	20.31%	→ 0.00%
Source: FMDQ DQL for 04 June 2024			
Benchmark FGN Bond Yields			
	04-Jun-24	03-Jun-24	Change in Yield
5 yrs: 16.2884% 17-Mar-2027	18.49%	18.49%	→ 0.00%
10 yrs: 12.50% 27-Apr-2032	19.70%	19.70%	→ 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 04 June 2024			
Benchmark FGN Eurobond Yields			
	04-Jun-24	03-Jun-24	Change in Yield
5 yrs: NGERIA 6 1/2 11/28/27	8.53%	8.44%	↑ 0.09%
10 yrs: NGERIA 7.875 02/16/32	9.98%	9.85%	↑ 0.13%
15 yrs: NGERIA 7.696 23/02/38	10.49%	10.39%	↑ 0.10%
30 yrs: NGERIA 9.248 01/21/49	10.28%	10.21%	↑ 0.07%
7.125% ECOTRAN 16/02/26*	7.68%	7.59%	↑ 0.09%
Source: FBN UKRuns for 04 June 2024			

Date	Sys. Liq. (₦'bn)	Diff.
4-Jun-24	345.29	
3-Jun-24	-79.51	↑ 424.80
Source: CBN		
NAME OF FUND	EFFECTIVE YIELD (%)	
AIICO MONEY MARKET FUND	19.49	
AIICO BALANCED FUND	5.80	
AIICO EUROBOND FUND	6.24	
As of 02 June 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 (-0.67% YTD)	
Monetary Policy Rate	26.25%	
Cash Reserve Requirement (CRR)	45.00%	
Brent Crude Price US\$/bbl	*79.41 (-3.33 d/d)	
Source: NBS,CBN, AIICO Capital		

Nigerian Equities

The Nigerian stock market closed bearish today, after a calm start. Tickers in the consumer goods sectors like NB (+10.00%), PRESCO (+9.99%) and HONYFLOUR (+1.67%) were the key advancers. Although, the selloffs on UBA (-4.11%), WEMABANK (-3.57%), and ZENITHBANK (-3.03%) drove the pull back. The market breadth showed a ratio of 0.77x (17 advancers to 22 decliners).

The All-Share Index declined by 0.07% to close at 99,051.02 points, and the year-to-date return was at 32.47%, with the market capitalization at ₦56.03trillion. Trading activity was mixed, with 0.63% decline in total volume traded and 46.19% increase in total value traded.

The Banking and Oil & Gas Indices lost 1.45% and 0.78%, respectively, while Consumer Goods Index gained 0.36%. The Industrial Goods Index flattened. VERITASKAP led the volume charts with 59.17 million units traded, while AIRTELAFRI topped the value charts with ₦2.43 billion in trades.

Outlook: *We expect the mixed trend to persist.*

Foreign Exchange

FMDQ's Nigeria's Autonomous Foreign Exchange (NAFEM) depreciated by ₦0.83 (or 0.06%) to \$/₦1,476.95 compared to \$/₦1,476.12 recorded yesterday.

Outlook: *We expect volatility to persist.*

Commodities

Crude oil price fell extending a recent losing streak to erase most of its gains for the year after OPEC+ announced plans to increase production starting in October. Brent crude decreased by 1.54% to \$77.15 per barrel, while WTI fell by 1.66% to \$72.99 per barrel. The price of gold decreased by 0.99% to \$2,345.90 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
NB	28.60	2.60	↑ 10.00%
PRESCO	293.90	26.70	↑ 9.99%
OANDO	14.20	1.25	↑ 9.65%
RTBRISCOE	0.57	0.05	↑ 9.62%
DEAPCAP	0.48	0.04	↑ 9.09%

Source: NGX, AIICO Capital

Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Loss(N)	% Change
TANTALIZER	0.45	-0.05	↓ -10.00%
INTENEGINS	1.58	-0.17	↓ -9.71%
UPDC	1.21	-0.13	↓ -9.70%
UNITYBNK	1.25	-0.13	↓ -9.42%
CHAMS	1.40	-0.10	↓ -6.67%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.07%	↑ 0.68%	↓ -0.25%	↑ 32.47%
NSE Banking Index	↓ -1.45%	↑ 1.29%	↓ -2.28%	↓ -13.16%
NSE Insurance Index	↓ -1.53%	↑ 5.12%	↑ 1.22%	↑ 15.56%
NSE Industrial Goods Index	→ 0.00%	↓ -0.02%	↓ -0.09%	↑ 72.93%
NSE Consumer Goods Index	↑ 0.36%	↑ 1.08%	↑ 0.31%	↑ 39.93%
NSE Oil & Gas Index	↓ -0.78%	↑ 5.16%	↓ -0.78%	↑ 23.11%

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