

Dear Esteemed Client:

Good evening

Global equities market appreciated today, after yesterday's losses, with most global equity benchmark indices gaining day-on-day as the U.S. Dow Jones Industrial Average (DJIA), S & P 500, NASDAQ, German DAX, London's FTSE and Chinese SHANGHAI indices all gained ca +0.38%, +0.30%, +0.41%, +0.49%, +0.65% and +0.02% respectively. This comes of the back of renewed positive investors' sentiments on risk assets, after the U.S. President – Donald Trump indicated a possible quick resolution to ongoing U.S./China trade tensions.

We expect continued and increased volatility in equity prices and global equity benchmark indices in the near term, on continued uncertainties of the U.S./China trade tension and rising fears of higher negative impact of trade tensions on global economic growth expectation in 2019.

In further escalation of the Brexit crisis, the UK Prime Minister – Theresa May, resigned her appointment today. This comes after months of impasse in the UK Parliament on the approval of her proposed Brexit Withdrawal Agreement Deal with the European Union and is expected to take effect from 07 June 2019 when a new Prime Minister would have been voted in.

1. Money Markets

Banking system liquidity opened positive today at ca ₦232.74bn lower than ca ₦200.6bn recorded yesterday, as market was boosted by Federal Accounts Allocation Committee (FAAC) inflow of ca ₦311bn. The Central Bank of Nigeria (CBN) did not conduct an Open Market Operation (OMO) auction today.

Treasury Bills

The treasury bills market traded bearish today, after 3days of bullish trades. Average rates gained ca +17bps day-on-day, with the 19 September 2019 maturity gaining ca +63bps to close at 11.66% from 11.04%.

Bank Placements

Open Buy Back (OBB) and Overnight (O/N) rates traded higher day-on-day at 11.14% and 12.00% from 9.86% and 10.50%, as Banks funded Bonds primary market auction and Wholesale FX intervention. Average fixed deposit rates amongst banks monitored showed:

- tier-1 rated banks at 3.00% for 30 - 60 days tenor on ₦10mln - ₦100mln.
- tier-2 rated banks at 7.50% for 30 - 60 days tenor on ₦10mln - ₦100mln.

2. Capital Markets

Bonds

The bonds secondary market was relatively quiet today as yields rose at the mid-to-long end of the curve. Average yields marginally gained ca +6bps day-on-day, with December 2019 maturity gaining ca +38bps to close at 12.39% from 12.01%.

Eurobonds

The Eurobonds market was bearish today, due to negative sentiments arising from the ongoing U.S./China trade standoff. Sell off was seen across the yield curve, as average yields gained ca +6bps day-on-day, with the February 2032 maturity closing at 7.84% from 7.75%.

Equities

The 6-day gains in the Nigerian equities market came to a halt today, with the Nigerian Stock Exchange All Share Index (NSE ASI) shedding ca -1.89% day-on-day to close at 30,881.29pts, and market's year-to-date returns at -1.75%. This was largely due to losses in Dangote Cement Plc (-2.44%), MTN Nigeria Plc (-6.04%) and Stanbic IBTC Bank Plc (-4.54%).

The NSE Industrial and Consumer goods indices both lost ca -129bps and -39bps respectively, while the NSE Banking and Oil & Gas indices gained +123bps and +54bps respectively. Guaranty Trust Bank Plc led both the volume and value charts with 54.76m units traded at ₦1.7bn.

3. Foreign Exchange

The Naira remained flat against the dollar in both the interbank and parallel markets at ₦306.90/\$1 and ₦361/\$1 respectively. It appreciated against the Pound sterling at ₦468/£1 from ₦471/£1 but was stable against the Euro at ₦404/€1, in the parallel market. The FMDQ Nigerian Autonomous Foreign Exchange (NAFEX) Fixing rate appreciated day-on-day at ₦360.40/\$1 from ₦360.42/\$1.

4. Commodities

Crude oil prices gained day-on-day, but remained on course for its biggest weekly drop of the year, on the back of rising fears of a global economic slowdown due to U.S./China trade tensions and rising Shale crude oil stockpiles. Brent crude oil price lost ca -0.32% day-on-day at \$67.54pb, while WTI lost ca -0.45% day-on-day at \$57.65pb, as at report time. Spot gold shed ca -0.17% at \$1,283.20 per ounce.

Top 5 Equity Advancers				Top 5 Equity Decliners			
Name (Symbol)	Closing Price	Gain(N)	% Change	Name (Symbol)	Price	Loss(N)	% Change
ETI	10.05	0.90	+9.84%	NEIMETH	0.51	-0.05	-8.93%
FIDSON	5.05	0.45	+9.78%	CHIPLC	0.23	-0.02	-8.00%
FIDELITYBK	1.81	0.16	+9.70%	ACADEMY	0.25	-0.02	-7.41%
JAPAUOIL	0.26	0.02	+8.33%	MTNN	140.00	-9.00	-6.04%
ABCTRANS	0.28	0.02	+7.69%	NB	58.00	-3.70	-6.00%

Benchmark T-Bills Discount Rates				
	24-May-19	23-May-19	Change in Rates	
90 Days	11.35%	11.50%	-0.15%	↓
182 days	11.69%	11.30%	0.39%	↑
364 days	11.15%	11.15%	0.00%	↔

Source: FMDQ DQL for 24 May 2019

Benchmark FGN Bond Yields				
	24-May-19	23-May-19	Change in Yield	
3 yrs: 16.00% 15-Jul-2021	14.44%	14.35%	0.09%	↑
5 yrs: 15.54% 27-Apr 2023	14.35%	14.35%	0.00%	↔
10 yrs: 13.98% 23 Feb 2028	14.25%	14.10%	0.15%	↑
20 yrs: 16.25% 18-Apr 2037	14.45%	14.33%	0.12%	↑

Source: FMDQ DQL for 24 May 2019

Benchmark FGN Eurobond Yields				
	24-May-19	23-May-19	Change in Yield	
3 yrs: NGERIA 6 3/4 01/28/21	4.85%	4.82%	0.03%	↑
5 yrs: NGERIA 6 3/8 07/12/23	5.56%	5.53%	0.03%	↑
10 yrs: NGERIA 6 1/2 11/28/27	7.10%	7.04%	0.06%	↑
20 yrs: NGERIA 7.696 02/23/38	8.10%	8.03%	0.07%	↑
30 yrs: NGERIA 9.248 01/21/49	8.67%	8.63%	0.04%	↑

Source: FMDQ DQL for 24 May 2019

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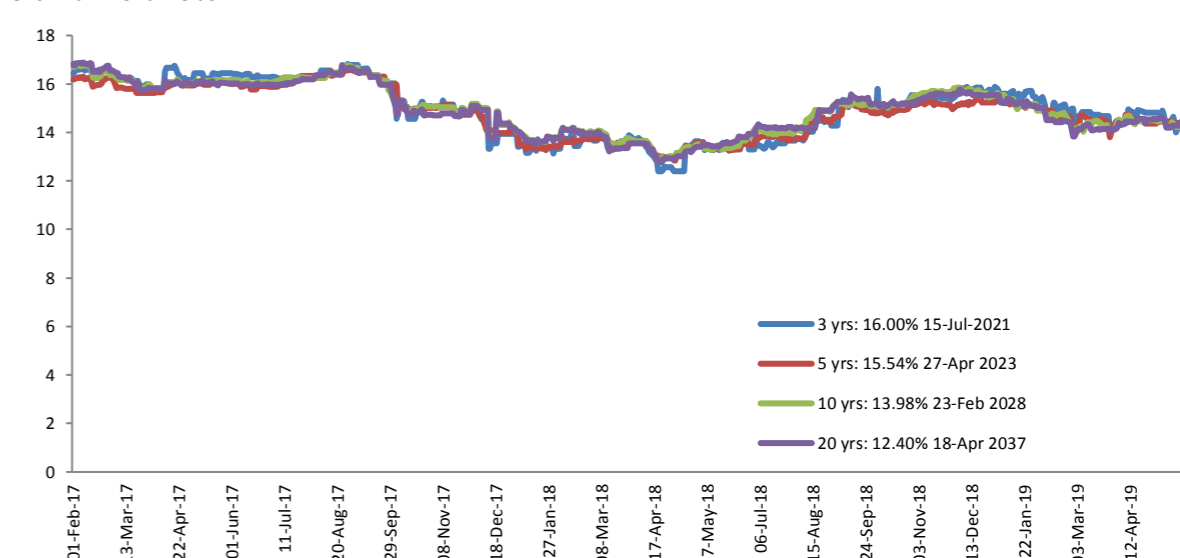
AIICO Money Market Fund (AMMF)	
Net Yield (As at current date)	13.27% per annum
Added Benefit	Personal accident insurance cover

AIICO Capital Guaranteed Income Note (GIN) Rates p.a.					
Amount (NGN)	30 Days	60 Days	90 Days	180 Days	364 Days
10,000,001 - 50,000,000	10.00	10.50	11.00	12.00	13.00
50,000,001 - 100,000,000	11.00	11.25	11.50	12.50	14.00
100,000,001 - 400,000,000	12.00	12.25	12.50	13.00	14.50

Trading Treasury Bills Rates p.a.			
Maturity Dates	Tenor (Days)	Discount Rate	Effective Yield
01-Aug-19	69	10.15%	10.35%
17-Oct-19	146	10.80%	11.29%
07-Nov-19	167	10.95%	11.53%
16-Jan-20	237	11.55%	12.49%

Select Macro-economic Indices	
Inflation % (April 2019)	11.37 (+1.07% ytd)
PMI (May 2019)	57.80
MPR (%)	13.5 (-5%/+2% around mid-point)
CRR (%)	22.5
Brent Crude Price US\$ pbbl	67.54 (-0.32% d/d)
External Reserve (US\$ billion)	45.060 (+2.21% ytd)
GDP % (Q1 2019)	+2.01% (Q4 2018: +2.38% y/y)
NSE All Share Index (ASI)	30,881.29 (-1.89% d/d; -1.75% ytd)
Market Capitalisation (₦ Trillion)	13.60

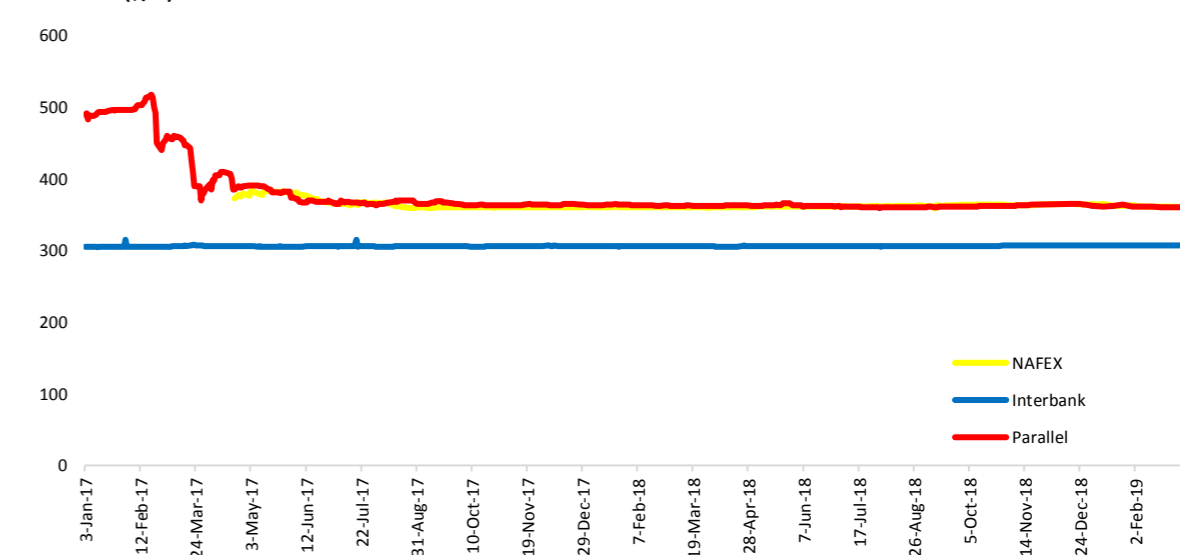
Benchmark Bond Yields



Nigerian All Share Index, 2017 - 2019



FX Rates (\$/N)



Nigeria's Real GDP Growth Rate % vs PMI (q/q)

