

# Actionable Market Insights, Delivered Weekly.

**AIICO  
CAPITAL**

## MARKET COMMENTARY

DATE: Friday | 20 December 2024

### Money Market

System liquidity remained negative throughout the week despite inflows from statutory revenue, FAAC, and the signature bonus. Elevated liquidity outflows kept interbank rates high, including the FGN bond auction settlement (₦211 billion), FX interventions, and CRR debits. The Overnight Policy Rate (OPR) and Overnight Rate (O/N) fluctuated within tight ranges but trended downward by week's end. The OPR closed 75bps lower w/w at 31.79%, while the O/N rate fell 59bps w/w to 32.33%.

**Outlook:** The interbank rates are expected to remain high, though expected FGN bond coupon inflows of c.₦217 billion should provide some support.

### Treasury Bills

The Treasury Bills market traded on a subdued note throughout the week, influenced by tight system liquidity. Minimal activity occurred across the curve, with subdued trades at the mid-to-long end, particularly for December 2025 securities. Selling interests emerged as participants sought to meet liquidity obligations. Offers were observed on the May, October, November, and December 2025 papers, though demand remained weak. By week's end, calm trading persisted, with mild demand recorded in the 11 Dec 2025 paper. Overall, the average mid-rate for benchmark NTB papers declined 24bps w/w, settling at 23.14%.

**Outlook:** We anticipate that the holiday-shortened week will see weak interest. Additionally, we expect the DMO to conduct an NTB auction next week, offering c.₦332.52 billion across the usual tenors.

### FGN Bonds

The local bonds market traded quietly throughout the week amid weak investor demand and limited trading volumes. Activity was concentrated on mid-to-long-term bonds, particularly the February 2031, February 2034, and June 2053 papers. Following the FGN bond auction, where the DMO allotted ₦211.15 billion at marginal rates of 21.15% (April 2029) and 22.00% (February 2031), trading remained subdued with sideways interest in select maturities. By week's end, mild demand resurfaced on the February 2031 paper. Overall, the average mid-yield increased by 7bps w/w, closing at 19.52%.

**Outlook:** We anticipate a calm session next week, with a mixed to bullish sentiment driven by coupon inflows.

### Eurobonds Markets

The African Eurobonds market closed the week on a mixed-to-bearish note. Early gains in Egypt, driven by parliamentary approval of a €1 billion financing package, and Nigeria, supported by rising oil prices, were offset by risk-off sentiment later in the week. Mixed U.S. economic data—strong retail sales but weaker industrial production—coupled with the Fed's hawkish stance, dampened investor appetite for high-yield assets. By week's end, mild selling pressure persisted across African curves. The average mid-yield on Nigerian Eurobonds rose by 15bps w/w to close at 9.52%.

**Outlook:** We anticipate a slow momentum next week because of the festivities.

BENCHMARK T-BILLS DISCOUNT RATES			
	20-Dec-24	13-Dec-24	Change in Rates
97 days	24.78%	24.05%	↑ 0.73%
188 days	22.37%	22.49%	↓ -0.12%
335 days	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 20-Dec-2024

BENCHMARK FGN BOND YIELDS			
	20-Dec-24	13-Dec-24	Change in Yield
5 yrs: 14.55% 26-Apr-2029	21.16%	19.71%	↑ 1.45%
10 yrs: 19.00% 21-Feb-2034	20.85%	21.36%	↓ -0.51%
20 yrs: 15.45% 21-Jun-2038	19.02%	19.02%	→ 0.00%
30 yrs: 15.70% 21-Jun-2053	16.99%	16.98%	↑ 0.01%

Source: FMDQ DQL for 20-Dec-2024

NFEM RATE (\$/₦)		Diff.
20-Dec-24	1,542.00	
13-Dec-24	1,540.00	↑ 2.00

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
20-Dec-24	(377.50)	
13-Dec-24	(1,499.73)	↑ 1,122.23

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.61
AIICO BALANCED FUND	13.64
AIICO EUROBOND FUND	7.35

As of December 19, 2024

BENCHMARK FGN EUROBOND YIELDS				
	20-Dec-24	13-Dec-24	Change in Yield	
5 yrs: NGERIA 8.375% 03/24/29	8.94%	8.69%	↑	0.25%
10 yrs: NGERIA 7.375% 09/29/33	9.74%	9.60%	↑	0.14%
15 yrs: NGERIA 7.696% 23/02/38	10.15%	9.99%	↑	0.16%
30 yrs: NGERIA 8.25% 09/29/51	10.41%	10.27%	↑	0.14%
8.75% ETI 06/17/31*	8.84%	8.93%	↓	-0.09%

Source: FBN UK Runs for 20-Dec-2024

MACRO INDICATORS	
GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
Inflation (November'2024)	34.60% (Oct'24: 33.88%)
External Reserve (US\$'billion)	40.48 (+22.99% YTD as of 11-Dec-24)
Monetary Policy Rate	27.50%
Cash Reserve Requirement (CRR)	50.00%
Brent Crude Price US\$/bbl	*72.94 (-0.98 w/w)

Source: NBS,CBN, AIICO Capital

## Nigerian Equities

The Nigerian bourse maintained bullish momentum throughout the week, as the All-Share Index gained 176bps w/w to close at 101,129.09 points and market capitalization at ₦61.30 trillion, driven by bargain hunting in ARADEL, GTCO, TRANSCOHOT, and ZENITHBANK, which offset losses in BUACEMENT. Notably, ARADEL led the rally with a 20.73% w/w return, while renewed interest in GTCO and ZENITHBANK signaled a potential upside. Insurance stocks surged, lifting NGXINS by 8.83%, driven by AIICO, UNIVINSURE, and INTENEGINS. Key events included FLOURMILL's trading suspension ahead of delisting and SPDC's acquisition approval.

**Outlook:** We anticipate mixed sentiments to unfold next week, though cautiously, due to the holiday season.

## Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) witnessed heightened activity and improved liquidity throughout the week. As market conditions remained active, exchange rates fluctuated within the \$/₦1,510.00 - \$/₦1,565.00 range. Midweek saw notable stability, with trades narrowing to \$/₦1,531.00 - \$/₦1,550.00 levels. By the end of the week, the Naira depreciated marginally by 13bps w/w to close at \$/₦1,542.00.

**Outlook:** We expect the Naira to continue trading within a similar range.

## Commodities

Oil prices remained relatively stable at their close as markets assessed Chinese demand and the potential for interest rate cuts following data that revealed a decrease in U.S. inflation. Brent crude was approximately \$72.94 per barrel, while WTI hovered around \$69.46. At the same time, gold prices continued to rise on the final day of the week, buoyed by a weaker dollar and falling Treasury yields after U.S. economic reports indicated a deceleration in inflation. Gold was valued at about \$2,623.36 per ounce.

**Outlook:** We anticipate mild fluctuations in the market next week due to the holiday season.

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
GTCO	57.00	↑ 7.65%	↑ 218.91	↑ 12.50%
TRANSCOHOT	116.00	↑ 9.43%	↑ 188.11	↑ 10.74%
ZENITHBANK	45.85	↑ 4.20%	↑ 106.67	↑ 6.09%
INTBREW	5.00	↑ 20.77%	↑ 42.43	↑ 2.42%
STANBIC	58.55	↑ 3.08%	↑ 41.64	↑ 2.38%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
BUACEMENT	93.00	↓ -2.11%	↓ 124.39	↓ -7.10%
DANGSUGAR	32.50	↓ -7.14%	↓ 55.77	↓ -3.18%
WAPCO	68.50	↓ -2.14%	↓ 44.37	↓ -2.53%
TRANSCORP	42.95	↓ -1.26%	↓ 41.06	↓ -2.34%
MTNN	175.50	↓ -0.28%	↓ 18.69	↓ -1.07%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.12%	↑ 1.76%	↑ 3.71%	↑ 35.25%
NSE Banking Index	↑ 1.66%	↑ 3.23%	↑ 4.74%	↑ 19.45%
NSE Insurance Index	↑ 1.05%	↑ 8.83%	↑ 26.90%	↑ 92.49%
NSE Industrial Goods Index	↓ -0.31%	↓ -0.86%	↑ 1.02%	↑ 31.35%
NSE Consumer Goods Index	↑ 1.03%	↑ 2.92%	↑ 4.10%	↑ 47.58%
NSE Oil & Gas Index	↑ 0.31%	↑ 0.99%	↑ 13.94%	↑ 160.12%

Source: NGX, Bloomberg, AIICO Capital

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