

DATE: Thursday, 02 January 2025

## MARKET COMMENTARY

### System Liquidity

System liquidity opened the year on a positive note, and in the absence of any major funding need, interbank rates remained relatively stable. Specifically, the Overnight Policy Rate (OPR) and Overnight Rate (O/N) printed at 26.69% and 27.25%, respectively.

**Outlook:** We expect interbank rates to continue to trade around the same levels.

### Treasury Bills

The Treasury Bills market had a calm session, with interest observed on the December 2025 papers at lower levels of 22.00%. Overall, the average mid-rate for the benchmark NTB papers closed at 23.12%.

**Outlook:** We expect the same sentiment to continue in tomorrow's session.

### FGN Bonds

The local bonds market saw some activity in the mid and long-term maturities, particularly with the bonds maturing in May 2033, February 2034, and June 2053. However, the overall executed volumes remained relatively weak. As a result, the average mid-yield settled at 19.59%.

**Outlook:** We expect the same sentiment to continue in tomorrow's session.

### Eurobonds

The Eurobond market had a positive start to the year; however, trade volumes were weak as participants were still adjusting to the new year. As the day went on, buying interest increased, particularly for sovereign bonds from Sub-Saharan Africa (SSA) and North African countries, especially Nigeria, Angola, and Egypt. Overall, the average mid-yield for Nigerian bonds fell by 10 bps, closing at 9.44%.

**Outlook:** We expect the positive sentiments to linger in the interim.

#### BENCHMARK T-BILLS DISCOUNT RATES

	02-Jan-25	31-Dec-24	Change in Rates
84 DAYS	24.78%	24.78%	→ 0.00%
175 DAYS	22.37%	22.37%	→ 0.00%
322 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 02-Jan-2025

#### BENCHMARK FGN BOND YIELDS

	02-Jan-25	31-Dec-24	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.20%	21.19%	↑ 0.01%
10 YRS: 19.00% 21-FEB-2034	20.86%	20.85%	↑ 0.01%
20 YRS: 15.45% 21-JUN-2038	19.02%	19.02%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	16.98%	16.98%	→ 0.00%

Source: FMDQ DQL for 02-Jan-2025

#### BENCHMARK FGN EUROBOND YIELDS

	02-Jan-25	31-Dec-24	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.91%	9.02%	↓ -0.11%
10 YRS: NGERIA 7.375% 09/29/33	9.63%	9.74%	↓ -0.11%
15 YRS: NGERIA 7.696% 23/02/38	10.07%	10.15%	↓ -0.08%
30 YRS: NGERIA 8.25% 09/29/51	10.36%	10.41%	↓ -0.05%
8.75% ETI 06/17/31*	8.65%	8.74%	↓ -0.09%

Source: FBN UK Runs for 02-Jan-2025

	NFEM (\$/N)	Diff.
2-Jan-25	1,538.50	
31-Dec-24	1,535.00	↑ 3.50

Source: FMDQ

	SYS. LIQ. (N'BN)	Diff.
2-Jan-25	353.26	
31-Dec-24	(166.29)	↑ 519.56

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	24.47
AIICO BALANCED FUND	12.85
AIICO EUROBOND FUND	7.35

As of December 31, 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)	40.88 (+24.22% YTD as of 30-Dec-24)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*76.11 (+2.19 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market began the new year on a positive note, with the NGX-ASI rising by 25 basis points to close at 103,180.14 points. The market capitalization reached ₦62.91 trillion. This encouraging performance was fueled by positive investor sentiment and rising share prices for UNILEVER and UCAP. Of the five major indices, three recorded positive results, with the Insurance Index leading with a gain of 9.50%. Meanwhile, the Industrial and Oil & Gas indices experienced declines.

**Outlook:** We expect the same sentiment to continue in tomorrow's session.

## Foreign Exchange

The NFEM showed a stable position today with enhanced liquidity. Trades took place within a range of \$/₦1,538.00 and \$/₦1,545.00. Overall, the Naira weakened by 23 basis points, finishing at \$/₦1,538.50.

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

## Commodities

Oil prices increased by approximately 2% as investors returned for the first trading day of the new year with a positive outlook on China's economy and fuel demand following a commitment from President Xi Jinping to stimulate growth. Brent crude was priced at \$76.11 per barrel, while WTI was around \$73.34. Likewise, Gold reached a high not seen in over two weeks on Thursday, driven by safe-haven purchases, as the market repositioned itself ahead of the Federal Reserve's interest rate projections and President-elect Donald Trump's upcoming trade tariffs. It was trading at around \$2,654.94 per ounce.

**Outlook:** We expect the volatility to continue to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING		
	PRICE	GAIN(N)	% CHANGE
CORNERST	3.96	0.36	↑ 10.00%
CUTIX	2.53	0.23	↑ 10.00%
INTENEGINS	1.87	0.17	↑ 10.00%
MANSARD	9.02	0.82	↑ 10.00%
NCR	5.50	0.50	↑ 10.00%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING		
	PRICE	LOSS(N)	% CHANGE
ELLAHLAKES	3.01	-0.15	↓ -4.75%
NASCON	30.00	-1.35	↓ -4.31%
CWG	7.45	-0.25	↓ -3.25%
FIDELITYBK	17.00	-0.50	↓ -2.86%
INTBREW	5.50	-0.05	↓ -0.90%

Source: NGX, AIICO Capital

	D-o-D		W-o-W		MTD		YTD	
NGX ASI	↑	0.25%	↑	1.02%	↑	0.25%	↑	0.25%
NSE BANKING INDEX	↑	0.27%	↓	-0.49%	↑	0.27%	↑	0.27%
NSE INSURANCE INDEX	↑	9.50%	↑	17.71%	↑	9.50%	↑	9.50%
NSE INDUSTRIAL GOODS INDEX	↓	-0.01%	↑	0.17%	↓	-0.01%	↓	-0.01%
NSE CONSUMER GOODS INDEX	↑	0.16%	↑	1.63%	↑	0.16%	↑	0.16%
NSE OIL & GAS INDEX	↓	-0.04%	↑	0.04%	↓	-0.04%	↓	-0.04%

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