

MARKET COMMENTARY

System Liquidity

System liquidity opened lower but remained in positive territory. This decrease was due to the late CRR event that occurred last Friday. Nevertheless, in the absence of any major funding need, interbank rates dropped slightly. Specifically, the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) decreased by 25 bps, settling at 26.50% and 27.00%, respectively.

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

Treasury Bills

The Treasury Bills market began the week on an active note, with a mixed theme across different maturities. Bids came in from investors expecting a decline in yields at the next auction, as well as from those eager to utilize their surplus liquidity. The most activity was recorded for bills maturing in March, April, June, July, and December. Consequently, the average mid-rate for the benchmark NTB papers ended the day at 23.01%.

Outlook: We anticipate that the same sentiment will persist in tomorrow's session, although we expect a more cautious approach.

FGN Bonds

The local bonds market has exhibited a predominantly bearish sentiment. Offers were mostly concentrated in the short-to-mid segments of the yield curve, specifically for bonds maturing in March 2025, February 2031, and February 2034. Nonetheless, the volume of executed transactions remained limited. Consequently, the average mid-yield increased by 7 bps, to settle at 19.68%.

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

Eurobonds

The Eurobond market maintained its positive trajectory during today's session, characterized by increased buying interest in African sovereign bonds, particularly those from oil-exporting nations such as Nigeria and Angola, as well as within the North African curve. However, towards the end of the session, some profit-taking was observed across these curves as market participants positioned themselves in anticipation of significant data releases scheduled for this week. Overall, the average mid-yield for Nigerian bonds decreased by 4 bps, concluding at 9.28%.

Outlook: We expect a mixed theme in tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES

	06-Jan-25	03-Jan-25	Change in Rates
94 DAYS	24.10%	23.70%	↑ 0.40%
185 DAYS	22.29%	22.37%	↓ -0.08%
318 DAYS	21.50%	21.50%	→ 0.00%

Source: FMDQ DQL for 06-Jan-2025

BENCHMARK FGN BOND YIELDS

	06-Jan-25	03-Jan-25	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.21%	21.20%	↑ 0.01%
10 YRS: 19.00% 21-FEB-2034	20.86%	20.86%	→ 0.00%
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 06-Jan-2025

BENCHMARK FGN EUROBOND YIELDS

	06-Jan-25	03-Jan-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.80%	8.80%	→ 0.00%
10 YRS: NGERIA 7.375% 09/29/33	9.42%	9.49%	↓ -0.07%
15 YRS: NGERIA 7.696% 23/02/38	9.90%	9.98%	↓ -0.08%
30 YRS: NGERIA 8.25% 09/29/51	10.19%	10.26%	↓ -0.07%
8.75% ETI 06/17/31*	8.55%	8.56%	↓ -0.01%

Source: FBN UK Runs for 06-Jan-2025

NFEM (\$/N)		Diff.
3-Jan-25	1,535.00	
3-Jan-25	1,535.00	→ 0.00

Source: FMDQ

SYS. LIQ. (N'BN)		Diff.
6-Jan-25	476.24	
3-Jan-25	871.20	↓ (394.96)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.96
AIICO BALANCED FUND	1.41
AIICO EUROBOND FUND	6.94

As of January 02, 2025

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 03-Jan-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*77.41 (+0.90 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market continued to experience bullish activity, as the NGX All-Share Index (NGX-ASI) increased by 6 bps, closing at 103,648.24 points, while the market capitalization reached ₦63.20 trillion. This positive performance was primarily driven by an uptick in share prices of FBNH, alongside a sustained bullish trend in the insurance sector, particularly with stocks such as AIICO, UNIVINSURE, CORNERST, and INTENEGINS. Among the five major indices, two recorded positive outcomes, with the Insurance Index leading, exhibiting a gain of 4.12%. Conversely, the Industrial Goods, Consumer Goods, and Oil & Gas indices faced declines.

Outlook: We anticipate that the same sentiment will carry over into tomorrow's session.

Foreign Exchange

The NFEM maintained a stable position today, supported by enhanced liquidity. Trades occurred within a range of \$/₦1,500.00 to \$/₦1,550.00.

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

Commodities

Oil prices stabilized at their highest levels since mid-October, driven by colder weather boosting demand, along with rising expectations for stricter sanctions on oil exports from Iran and Russia. Brent crude is currently priced at \$77.41 per barrel, while WTI stands at about \$74.91. In contrast, gold prices declined as U.S. Treasury yields increased, and the Federal Reserve's recent indication of a slower rate of cuts in 2025 has kept investors eagerly awaiting upcoming economic data this week to provide further clarity on that perspective. It was trading at approximately \$2,632.47 per ounce.

Outlook: We expect the volatility to continue to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
DAARCOMM	0.77	0.07	↑ 10.00%
WEMABANK	11.00	1.00	↑ 10.00%
HONYFLOUR	8.37	0.76	↑ 9.99%
WAPIC	2.98	0.27	↑ 9.96%
LASACO	4.09	0.37	↑ 9.95%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CUTIX	2.60	-0.15	↓ -5.45%
CAVERTON	2.65	-0.15	↓ -5.36%
JAIZBANK	3.08	-0.17	↓ -5.23%
CHAMPION	4.00	-0.19	↓ -4.53%
IKEJAHOTEL	12.35	-0.55	↓ -4.26%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.06%	↑ 0.48%	↑ 0.70%	↑ 0.70%
NSE BANKING INDEX	↑ 0.74%	↑ 1.75%	↑ 2.09%	↑ 2.09%
NSE INSURANCE INDEX	↑ 4.12%	↑ 28.97%	↑ 22.92%	↑ 22.92%
NSE INDUSTRIAL GOODS INDEX	↓ -0.10%	↑ 0.39%	↑ 0.22%	↑ 0.22%
NSE CONSUMER GOODS INDEX	↓ -0.35%	↑ 0.04%	↑ 0.33%	↑ 0.33%
NSE OIL & GAS INDEX	↓ -0.07%	↓ -0.16%	↓ -0.59%	↓ -0.59%

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