

DATE: Monday, 13 January 2025

MARKET COMMENTARY

System Liquidity

System liquidity significantly declined into negative territory today, starting the week on a lower note due to outflows from net CRR debit activities and swap rollovers last Friday. As a result, interbank rates saw a notable increase. The Overnight Policy Rate (OPR) surged by 4.79%, closing at 32.08%, while the Overnight Rate (O/N) rose by 4.72%, settling at 32.58%.

Outlook: We anticipate that interbank rates will remain elevated, as the upcoming OMO maturity of c.₦270 billion is unlikely to significantly impact market liquidity.

Treasury Bills

The Treasury bills market began the week with notable activity, especially at the long end of the curve, with strong demand for the 4th December 2025 and 8th January 2026 bills. However, the scarcity of offers limited the number of trades. The short end of the curve also saw some action, particularly with the February and March bills. Overall, the average mid-rate for benchmark NTB papers settled at 22.92%.

Outlook: We anticipate that the same sentiment will continue tomorrow.

FGN Bonds

The local bonds market traded calmly, though with a bearish undertone. Offers were observed mainly in mid-dated papers, particularly the February 2031 and May 2033 bonds, offered at 22.10% and 21.20%, respectively. Overall, trading volume was low, with only a few transactions recorded. The average mid-yield increased by 5 bps, settling at 19.75%.

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

Eurobonds

The Eurobond market faced a pronounced bearish trend, with prices in the SSA and North African regions plummeting sharply. This decline followed last Friday's strong jobs report, which altered market expectations by reducing hopes for further rate cuts by the Federal Reserve. As a result, the average mid-yield for Nigerian bonds rose by 16 bps, settling at 9.59%.

Outlook: The market's attention will now turn to the upcoming US PPI data, set to be released tomorrow, for additional economic insights.

BENCHMARK T-BILLS DISCOUNT RATES			
	13-Jan-25	10-Jan-25	Change in Rates
87 DAYS	21.47%	21.47%	→ 0.00%
178 DAYS	22.29%	22.29%	→ 0.00%
311 DAYS	21.95%	21.50%	↑ 0.45%

Source: FMDQ DQL for 13-Jan-2025

BENCHMARK FGN BOND YIELDS			
	13-Jan-25	10-Jan-25	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.42%	21.22%	↑ 0.20%
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	17.50%	17.50%	→ 0.00%

Source: FMDQ DQL for 13-Jan-2025

NFEM (\$/₦)		Diff.
13-Jan-25	1,546.8530	
10-Jan-25	1,542.0256	↑ 4.8274

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
13-Jan-25	(388.68)	
10-Jan-25	346.96	↓ (735.64)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.96
AIICO BALANCED FUND	1.69
AIICO EUROBOND FUND	6.94

As of January 12, 2025

BENCHMARK FGN EUROBOND YIELDS			
	13-Jan-25	10-Jan-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.17%	8.99%	↑ 0.18%
10 YRS: NGERIA 7.375% 09/29/31	9.78%	9.61%	↑ 0.17%
15 YRS: NGERIA 7.696% 23/02/31	10.24%	10.08%	↑ 0.16%
30 YRS: NGERIA 8.25% 09/29/51	10.46%	10.36%	↑ 0.10%
8.75% ETI 06/17/31*	8.46%	8.46%	→ 0.00%

Source: FBN UK Runs for 13-Jan-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)	40.75 (+23.82% YTD as of 10-Jan-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*81.03 (+1.27 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market started the week on a bearish note, with the NGX All-Share Index (NGX-ASI) falling by 0.08% to close at 105,367.25 points. Market capitalization also decreased to ₦64.25 trillion. This decline was primarily due to selloffs in TRANSCORP and FBNH. Among the five main indices, two posted slight gains, with the Oil & Gas index leading with a 0.27% increase. However, the Banking, Insurance, and Consumer Goods indices experienced declines.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) remained stable today, with transactions occurring within the \$/₦1,543.00 to \$/₦1,550.00 range. By the end of the day, the NFEM closed at \$/₦1,546.8530, marking a depreciation of 31 basis points from the previous trading day.

Outlook: We anticipate that the Naira will continue to trade within a similar range.

Commodities

Oil prices continued to rise for the third consecutive session, with Brent crude surpassing \$80 per barrel, reaching its highest level in over four months. This increase was fueled by expanded U.S. sanctions on Russian oil and the anticipated impact on exports to major buyers like India and China. Brent crude was quoted at \$81.03 per barrel, while WTI hovered around \$78.00. Conversely, gold prices dipped as the U.S. dollar soared to a two-year high following a strong jobs report last week, reinforcing expectations that the Federal Reserve will be cautious about cutting interest rates this year. Gold traded at c.\$2,664.49 per ounce.

Outlook: We expect the volatility to continue to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
CAP	41.80	3.80	↑ 10.00%
NEIMETH	2.87	0.26	↑ 9.96%
LIVESTOCK	5.55	0.50	↑ 9.90%
NSLTECH	0.89	0.08	↑ 9.88%
INTENEGINS	2.21	0.17	↑ 8.33%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
LASACO	3.24	-0.36	↓ -10.00%
NNFM	41.00	-4.55	↓ -9.99%
ACADEMY	2.93	-0.32	↓ -9.85%
ABCTRANS	1.11	-0.12	↓ -9.76%
RTBRISCOE	2.32	-0.25	↓ -9.73%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.08%	↑ 1.66%	↑ 2.37%	↑ 2.37%
NSE BANKING INDEX	↓ -0.36%	↑ 0.83%	↑ 2.94%	↑ 2.94%
NSE INSURANCE INDEX	↓ -2.71%	↓ -13.03%	↑ 6.91%	↑ 6.91%
NSE INDUSTRIAL GOODS INDEX	↑ 0.00%	↓ -0.16%	↑ 0.05%	↑ 0.05%
NSE CONSUMER GOODS INDEX	↓ -0.16%	↓ -0.15%	↑ 0.18%	↑ 0.18%
NSE OIL & GAS INDEX	↑ 0.27%	↓ -0.01%	↓ -0.60%	↓ -0.60%

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