

Actionable Market Insights, delivered daily.



DATE: Tuesday, 21 January 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity experienced a significant recovery due to inflows from Remita, Net Cash Reserve Ratio (CRR) credits, and FGN bond coupons. Consequently, interbank rates decreased. Specifically, the Overnight Policy Rate (OPR) fell by 1.84% to 30.54%, while the Overnight Rate (O/N) decreased by 1.75% to 31.00%.

Outlook: Interbank rates are expected to remain stable unless there are significant changes, even as additional FGN bond coupons are credited to the system.

Treasury Bills

The Treasury bills market showed a subdued trend, with investors selectively purchasing a few securities maturing between November 2025 and January 2026. Most participants reduced their buying activity in anticipation of tomorrow's NTB auction. As a result, the average mid-rate for benchmark NTBs rose by 15 bps, closing at 22.73%.

Outlook: We anticipate cautious trading tomorrow as the focus shifts to the NTB auction, where ₦530 billion will be offered across the usual tenors.

FGN Bonds

The local bonds market maintained its bearish trend, with persistent selling interest in the February 2031 paper, with offers around 22.30% to 22.50%. Some market participants expect higher yields at next week's FGN bond auction. As a result, the overall average mid-yield rose by 15 bps, settling at 20.26%.

Outlook: We anticipate the same sentiment to persist tomorrow.

Eurobonds

The Eurobond market ended on a bearish note after initial buying interest across the curve. Selling pressure was particularly evident in the Sub-Saharan Africa (SSA) regions, specifically in Nigeria and Angola. Overall, the average mid-yield for Nigerian bonds increased by 5 bps, settling at 9.34%.

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

BENCHMARK T-BILLS DISCOUNT RATES			
	21-Jan-25	20-Jan-25	Change in Rates
93 DAYS	23.69%	23.69%	→ 0.00%
184 DAYS	21.80%	21.80%	→ 0.00%
352 DAYS	21.47%	21.47%	→ 0.00%

Source: FMDQ DQL for 21-Jan-2025

BENCHMARK FGN BOND YIELDS			
	21-Jan-25	20-Jan-25	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.84%	21.44%	↑ 0.40%
10 YRS: 19.00% 21-FEB-2034	21.40%	21.40%	→ 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 21-Jan-2025

NFEM (\$/₦)		Diff.
20-Jan-25	1,547.9989	
20-Jan-25	1,547.9989	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
21-Jan-25	219.18	
20-Jan-25	(307.56)	↑ 526.73

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.39
AIICO BALANCED FUND	1.46
AIICO EUROBOND FUND	6.64

As of January 20, 2025

BENCHMARK FGN EUROBOOND YIELDS				
	21-Jan-25	20-Jan-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.03%	8.95%	↑	0.08%
10 YRS: NGERIA 7.375% 09/29/31	9.59%	9.52%	↑	0.07%
15 YRS: NGERIA 7.696% 23/02/31	10.04%	10.02%	↑	0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.29%	10.28%	↑	0.01%
8.75% ETI 06/17/31*	8.55%	8.45%	↑	0.10%

Source: FBN UK Runs for 21-Jan-2025

MACRO INDICATORS	
GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
INFLATION (DECEMBER 2024)	34.80% (Nov24: 34.60%)
EXTERNAL RESERVE (US\$BILLION)	40.30 (+22.43% YTD as of 17-Jan-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*78.63 (-1.52 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market experienced a positive trend today, with the NGX All-Share Index (NGX-ASI) increasing by 75 bps to close at 103,137.99 points. Market capitalization also climbed, reaching ₦63.33 trillion. This upward movement was mainly fueled by increased buying interest in MTNN following a 50% tariff increase in the telecom sector by the NCC, along with bargain hunting in TRANSCORP. Additionally, trades for GTCO hit ₦60.00 but ultimately closed at ₦59.00. Among the five main indices, three recorded gains, with the Insurance Index leading with a 1.03% increase, while the Consumer Goods and Oil & Gas indices posted losses.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) exhibited stable liquidity; however, demand has continued to push prices higher. Transactions occurred within a range of \$/₦1,480.00 to \$/₦1,570.00.

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

Commodities

Oil prices declined as investors evaluated U.S. President Donald Trump's intention to implement new tariffs later than initially anticipated while increasing domestic oil and gas production. Brent crude was quoted at \$78.63 per barrel, whereas West Texas Intermediate (WTI) was around \$75.74. Conversely, gold prices surged to over a two-month high, bolstered by a weaker dollar as market participants turned to the safe-haven asset amid the uncertainty surrounding Trump's potential tariffs. Gold was trading at approximately \$2,738.19 per ounce.

Outlook: We expect the volatility to continue to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
MTNN	256.30	23.30	↑ 10.00%
SCOA	2.99	0.27	↑ 9.93%
OMATEK	0.89	0.08	↑ 9.88%
UNIVINSURE	0.75	0.06	↑ 8.70%
CAP	47.75	3.75	↑ 8.52%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
NSLTECH	0.73	-0.08	↓ -9.88%
ABBEYBDS	3.30	-0.33	↓ -9.09%
SUNUASSUR	6.15	-0.55	↓ -8.21%
DEAPCAP	1.05	-0.08	↓ -7.08%
CILEASING	4.10	-0.30	↓ -6.82%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.75%	↓ -0.47%	↑ 0.21%	↑ 0.21%
NSE BANKING INDEX	↑ 0.30%	↑ 0.42%	↑ 3.26%	↑ 3.26%
NSE INSURANCE INDEX	↑ 1.03%	↑ 2.30%	↑ 6.30%	↑ 6.30%
NSE INDUSTRIAL GOODS INDEX	↑ 0.03%	↓ -3.18%	↓ -7.97%	↓ -7.97%
NSE CONSUMER GOODS INDEX	↓ -0.38%	↑ 0.92%	↑ 0.82%	↑ 0.82%
NSE OIL & GAS INDEX	↓ -0.36%	↓ -1.79%	↓ -2.09%	↓ -2.09%

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