

Actionable Market Insights, delivered daily.



DATE: Wednesday, 22 January 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity started off lower, dipping into negative territory. However, as the day progressed, liquidity improved significantly due to the deposit of some FAAC payments and bond coupons. Consequently, interbank rates eased further. Specifically, the Overnight Policy Rate (OPR) declined by 0.96%, bringing it down to 29.58%, while the Overnight Rate (O/N) decreased by 0.44%, resulting in a new rate of 30.56%.

Outlook: Interbank rates are anticipated to rise tomorrow due to the settlement of today's NTB auction.

Treasury Bills

The Treasury bills market experienced a quiet session, although there was a slight bullish sentiment. The primary focus was on the NTB auction, where the DMO offered a total of ₦530 billion across the 91, 182, and 364-day papers. As a result, the average mid-rate for benchmark NTBs decreased by 17 bps, closing at 22.57%.

Outlook: We expect a bullish trading session as participants react to the results of today's NTB auction.

FGN Bonds

The local bonds market maintained its bearish trend, with mild selling pressures in the February 2031 paper. As a result, the overall average mid-yield stayed relatively unchanged at 20.26%.

Outlook: We anticipate the same sentiment to persist tomorrow.

Eurobonds

The Eurobond market closed on a bearish note after a mixed to bullish start. This led to selling interest in Nigerian and Angolan bonds, with Angolan bonds experiencing greater selling pressure following the announcement of its plan to raise over \$2 billion from the Eurobond market to finance its obligations at a lower cost. In contrast, Egyptian bonds saw increased buying interest across the curve. Overall, the average mid-yield for Nigerian bonds rose to 9.36%.

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

| BENCHMARK T-BILLS DISCOUNT RATES | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 22-Jan-25 | 21-Jan-25 | Change in Rates |
| 92 DAYS | 23.69% | 23.69% | → 0.00% |
| 183 DAYS | 21.80% | 21.80% | → 0.00% |
| 351 DAYS | 21.40% | 21.47% | ↓ -0.07% |

Source: FMDQ DQL for 22-Jan-2025

| BENCHMARK FGN BOND YIELDS | | | |
|----------------------------|-----------|-----------|-----------------|
| | 22-Jan-25 | 21-Jan-25 | Change in Yield |
| 5 YRS: 14.55% 26-APR-2029 | 21.89% | 21.84% | ↑ 0.05% |
| 10 YRS: 19.00% 21-FEB-2034 | 21.41% | 21.40% | ↑ 0.01% |
| 20 YRS: 15.45% 21-JUN-2038 | 19.50% | 19.02% | ↑ 0.48% |
| 30 YRS: 15.70% 21-JUN-2053 | 17.78% | 17.50% | ↑ 0.28% |

Source: FMDQ DQL for 22-Jan-2025

| BENCHMARK FGN EUROBOND YIELDS | | | |
|--------------------------------|-----------|-----------|-----------------|
| | 22-Jan-25 | 21-Jan-25 | Change in Yield |
| 5 YRS: NGERIA 8.375% 03/24/29 | 9.04% | 9.03% | ↑ 0.01% |
| 10 YRS: NGERIA 7.375% 09/29/31 | 9.60% | 9.59% | ↑ 0.01% |
| 15 YRS: NGERIA 7.696% 23/02/31 | 10.05% | 10.04% | ↑ 0.01% |
| 30 YRS: NGERIA 8.25% 09/29/51 | 10.33% | 10.29% | ↑ 0.04% |
| 8.75% ETI 06/17/31* | 8.64% | 8.55% | ↑ 0.09% |

Source: FBN UK Runs for 22-Jan-2025

| NFEM (\$/₦) | | Diff. |
|-------------|------------|----------|
| 22-Jan-25 | 1,551.9172 | |
| 21-Jan-25 | 1,551.2508 | ↑ 0.6664 |

Source: FMDQ

| SYS. LIQ. (₦'BN) | | Diff. |
|------------------|----------|------------|
| 22-Jan-25 | (193.55) | |
| 21-Jan-25 | 219.18 | ↓ (412.73) |

Source: CBN

| NAME OF FUND | EFFECTIVE YIELD (%) |
|-------------------------|---------------------|
| AIICO MONEY MARKET FUND | 22.94 |
| AIICO BALANCED FUND | 1.82 |
| AIICO EUROBOND FUND | 7.00 |

As of January 21, 2025

| MACRO INDICATORS | |
|--------------------------------|-------------------------------------|
| GDP (Q3 2024) | +3.46% (Q2: 2024 +3.19% y/y) |
| INFLATION (DECEMBER'2024) | 34.80% (Nov'24: 34.60%) |
| EXTERNAL RESERVE (US\$BILLION) | 40.09 (+21.80% YTD as of 21-Jan-25) |
| MONETARY POLICY RATE | 27.50% |
| CASH RESERVE REQUIREMENT (CRR) | 50.00% |
| BRENT CRUDE PRICE US\$/BBL | *79.10 (+0.47 d/d) |

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market experienced a decline, with the NGX All-Share Index dropping by 29 bps to conclude at 102,836.13 points. Additionally, the market capitalization fell by ₦63.14 trillion. This unfavorable performance was attributed to profit-taking in MTNN and a sell-off in ARADEL, despite ongoing bargain hunting in GTCO. Among the five primary indices, only the Banking Index exhibited an increase, achieving a positive performance of 0.61%, while the Insurance Index registered the most significant decline, with a drop of 0.91%.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) showed stable liquidity; however, demand has continued to push prices higher. Transactions occurred within a range of \$/₦1,550.00 to \$/₦1,565.00. Ultimately, the naira depreciated by 4 basis points, settling at \$/₦1,551.9172.

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

Commodities

Oil prices remained close to a one-week low as the market evaluates the potential impact of U.S. President Donald Trump's proposed tariffs on global economic growth and energy demand. Brent crude was priced at \$79.10 per barrel, while West Texas Intermediate (WTI) was approximately \$75.58. In contrast, gold prices surged to near three-month highs, trading just below their record peak. This increase was driven by a soft dollar and uncertainties regarding U.S. President Trump's policy plans, which have raised concerns among investors about the possibility of trade wars and heightened market volatility. Gold was valued at approximately \$2,758.90 per ounce.

Outlook: We expect the volatility to continue to persist.

| TOP 5 EQUITY ADVANCERS | | | |
|------------------------|---------------|---------|----------|
| NAME (SYMBOL) | CLOSING PRICE | GAIN(N) | % CHANGE |
| SCOA | 3.28 | 0.29 | ↑ 9.70% |
| CADBURY | 25.00 | 2.20 | ↑ 9.65% |
| NSLTECH | 0.80 | 0.07 | ↑ 9.59% |
| CILEASING | 4.34 | 0.24 | ↑ 5.85% |
| FTNCOCOA | 1.95 | 0.10 | ↑ 5.41% |

Source: NGX, AIICO Capital

| TOP 5 EQUITY DECLINERS | | | |
|------------------------|---------------|---------|----------|
| NAME (SYMBOL) | CLOSING PRICE | LOSS(N) | % CHANGE |
| MULTIVERSE | 10.05 | -1.10 | ↓ -9.87% |
| MAYBAKER | 8.30 | -0.90 | ↓ -9.78% |
| PRESTIGE | 1.32 | -0.11 | ↓ -7.69% |
| GUINEAINS | 0.87 | -0.07 | ↓ -7.45% |
| REDSTAREX | 4.81 | -0.24 | ↓ -4.75% |

Source: NGX, AIICO Capital

| | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|----------|
| NGX ASI | ↓ -0.29% | ↑ 0.72% | ↓ -0.09% | ↓ -0.09% |
| NSE BANKING INDEX | ↑ 0.61% | ↑ 1.01% | ↑ 3.89% | ↑ 3.89% |
| NSE INSURANCE INDEX | ↓ -0.91% | ↑ 5.02% | ↑ 5.34% | ↑ 5.34% |
| NSE INDUSTRIAL GOODS INDEX | ↓ -0.18% | ↑ 1.41% | ↓ -8.13% | ↓ -8.13% |
| NSE CONSUMER GOODS INDEX | ↓ -0.26% | ↓ -0.33% | ↑ 0.56% | ↑ 0.56% |
| NSE OIL & GAS INDEX | ↓ -0.11% | ↓ -2.04% | ↓ -2.20% | ↓ -2.20% |

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