

DATE: Tuesday, 28 January 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity continued to improve today, bolstered by inflows via CRR credits and OMO maturities, thus leading to a further easing in interbank rates. Specifically, the Overnight Policy Rate (OPR) fell by 8bps to 26.50%, while the Overnight Rate (O/N) decreased by 17bps to 27.00%.

Outlook: Market liquidity is anticipated to decline tomorrow, leading to higher interbank rates as the market settles the ₦606 billion FGN bond auction winnings.

Treasury Bills

The Treasury bills market exhibited a generally muted trend, with mixed sentiments prevailing despite ample liquidity within the financial system. Investors appeared to show indifference to current yield levels as they anticipate an upcoming OMO auction. Notably, there was a discernible demand for longer maturities, especially for the bills maturing in December 2025 and January 2026. Overall, the average mid-rate for benchmark NTBs remained steady at 22.43%.

Outlook: We expect mixed sentiments in tomorrow's session.

FGN Bonds

The bond market displayed a bearish trend following the recent FGN bond auction, where the marginal yields for the April 2029, February 2031, and newly-issued January 2035 bonds were recorded at 21.79%, 22.50%, and 22.60%, respectively. Notable selling pressure was evident on these auctioned bonds, as several market participants sought to capitalize on their auction gains. However, only a limited number of matching bids were observed. Consequently, the average mid-yield increased to 20.20%.

Outlook: We expect the bearish trend to continue in tomorrow's session due to a lack of significant demand.

Eurobonds

The Eurobond market displayed a mixed performance, with sideways interest observed in Nigerian bonds, while there was notable buying interest in bonds from Ghana, Angola, and Egypt. Egypt, in particular, experienced considerable demand along the yield curve following the recent issuance of a \$2 billion Eurobond, which included \$1.25 billion in 5-year bonds at a yield of 8.625% and \$750 million in 8-year bonds at 9.45%. Overall, the average mid-yield for Nigerian bonds saw a decline of 5 bps, settling at 9.37%.

Outlook: We expect some mixed trading in tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	28-Jan-25	27-Jan-25	Change in Rates
86 DAYS	23.69%	23.69%	→ 0.00%
177 DAYS	21.80%	21.80%	→ 0.00%
345 DAYS	21.40%	21.40%	→ 0.00%

Source: FMDQ DQL for 28-Jan-2025

BENCHMARK FGN BOND YIELDS			
	28-Jan-25	27-Jan-25	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.56%	21.55%	↑ 0.01%
10 YRS: 19.00% 21-FEB-2034	21.35%	21.35%	→ 0.00%
20 YRS: 15.45% 21-JUN-2038	19.35%	19.35%	→ 0.00%
30 YRS: 15.70% 21-JUN-2053	17.78%	17.78%	→ 0.00%

Source: FMDQ DQL for 28-Jan-2025

NFEM (\$/₦)		Diff.
27-Jan-25	1,534.5483	
27-Jan-25	1,534.5483	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
28-Jan-25	809.54	
27-Jan-25	401.95	↑ 407.59

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.26
AIICO BALANCED FUND	3.29
AIICO EUROBOND FUND	6.97

As of January 27, 2025

BENCHMARK FGN EUROBOND YIELDS				
	28-Jan-25	27-Jan-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.04%	9.09%	↓	-0.05%
10 YRS: NGERIA 7.375% 09/29/3:	9.66%	9.68%	↓	-0.02%
15 YRS: NGERIA 7.696% 23/02/3:	10.08%	10.10%	↓	-0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.34%	10.37%	↓	-0.03%
8.75% ETI 06/17/31*	8.83%	8.83%	→	0.00%

Source: FBN UK Runs for 28-Jan-2025

MACRO INDICATORS	
GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
INFLATION (DECEMBER2024)	34.80% (Nov24: 34.60%)
EXTERNAL RESERVE (US\$BILLION)	39.84 (+21.04% YTD as of 27-Jan-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*77.20 (+0.70 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian stock market experienced a setback today, interrupting its bullish momentum, as the NGX All-Share Index decreased by 44 bps, closing at 103,958.75 points. The market capitalization settled at ₦64.15 trillion. This negative performance, though accompanied by mixed sentiments, was largely attributed to profit-taking activities. Sell-offs were predominantly observed in DANGCEM, FBNH, FIDELITYBK, UBA, and ACCESSCORP, despite some bargain hunting in OANDO, STANBIC, and OKOMUOIL. Regarding sector performance, among the five major indices, only the Oil & Gas index showed a positive trend, posting a gain of 1.06%. Conversely, the Industrial Goods index led the decline, experiencing a decrease of 1.72%.

Outlook: We expect the market to experience mixed sentiments in tomorrow's session.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) experienced increased liquidity, with most transactions valued between \$/₦1,502.85 and \$/₦1,548.00.

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

Commodities

Oil prices increased slightly, recovering from several weeks of declines, as disruptions in Libyan oil loadings at major ports counterbalanced concerns regarding diminished demand linked to weak economic indicators from China and rising temperatures in other regions. Brent crude was trading at approximately \$77.20 per barrel, while West Texas Intermediate (WTI) was priced at around \$73.25. In a similar trend, gold prices rebounded after a decline in the previous session, which was prompted by a technology-driven sell-off in the broader market. The growing uncertainties surrounding U.S. President Donald Trump's proposed tariffs continued to attract investor interest in this safe-haven asset, with gold trading at approximately \$2,751.66 per ounce.

Outlook: Oil markets are expected to remain volatile, and clarity on the implications of U.S. policy regarding tariffs and sanctions will take time.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
EUNISELL	12.54	1.14	↑ 10.00%
OKOMUOIL	488.40	44.40	↑ 10.00%
SCOA	4.07	0.37	↑ 10.00%
NEM	13.25	1.20	↑ 9.96%
CHELLARAM	4.91	0.44	↑ 9.84%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
MRS	162.90	-18.00	↓ -9.95%
REDSTAREX	4.55	-0.50	↓ -9.90%
LEARNAFRCA	4.50	-0.49	↓ -9.82%
DAARCOMM	0.77	-0.07	↓ -8.33%
VERITASKAP	1.43	-0.12	↓ -7.74%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.44%	↑ 0.80%	↑ 1.00%	↑ 1.00%
NSE BANKING INDEX	↓ -1.21%	↑ 7.23%	↑ 10.72%	↑ 10.72%
NSE INSURANCE INDEX	↓ -0.03%	↓ -5.17%	↑ 0.81%	↑ 0.81%
NSE INDUSTRIAL GOODS INDEX	↓ -1.72%	↓ -1.84%	↓ -9.66%	↓ -9.66%
NSE CONSUMER GOODS INDEX	↓ -0.26%	↑ 1.09%	↑ 1.92%	↑ 1.92%
NSE OIL & GAS INDEX	↑ 1.06%	↓ -0.32%	↓ -2.40%	↓ -2.40%

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