

# Actionable Market Insights, delivered daily.



DATE: Wednesday, 29 January 2025

## MARKET COMMENTARY

### System Liquidity

Interbank liquidity decreased today due to the settlement of the FGN bond auction winnings, which totaled c.₦606 billion. As a result, interbank rates rose. Specifically, the Overnight Policy Rate (OPR) increased by 44 bps to 26.94%, while the Overnight Rate (O/N) rose by 50 bps to 27.50%.

**Outlook:** Interbank rates are expected to remain around similar levels unless there is a significant catalyst.

### Treasury Bills

The Treasury bills market experienced sustained interest in April 2025 and May 2025 bills, while only modest interest was observed in the December 2025 and January 2026 securities. In general, few transactions were completed, leading to a decline in the average mid-rate for benchmark NTBs by 15 bps, settling at 22.28%.

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

### FGN Bonds

The bond market exhibited a bearish sentiment as investors aimed to realize gains prior to today's settlement. As the day advanced, offers diminished, resulting in a subdued conclusion to trading activities. The most frequently traded securities included the February 2031s, February 2034s, and newly issued January 2035s. Consequently, the average mid-yield rose by 11 bps to reach 20.31%.

**Outlook:** We anticipate that the bearish trend will persist in tomorrow's session due to lackluster demand.

### Eurobonds

The Eurobond market exhibited mixed sentiments characterized by caution as traders concentrated on the Federal Reserve's imminent interest rate decision. Investors are on high alert for indications regarding a potential rate cut, with market sentiment varying in response to evolving economic data and expectations surrounding monetary policy. Notably, the average mid-yield for Nigerian bonds experienced a decrease of 3 bps, to close at 9.34%.

**Outlook:** With the Fed's agreeing unanimously to hold the target federal funds rate at 4.25% to 4.5%, we expect some mixed trading in tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	29-Jan-25	28-Jan-25	Change in Rates
85 DAYS	21.03%	23.69%	↓ -2.66%
176 DAYS	19.87%	21.80%	↓ -1.93%
344 DAYS	20.85%	21.40%	↓ -0.55%

Source: FMDQ DQL for 29-Jan-2025

BENCHMARK FGN BOND YIELDS			
	29-Jan-25	28-Jan-25	Change in Yield
5 YRS: 14.55% 26-APR-2029	21.56%	21.56%	→ 0.00%
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 29-Jan-2025

BENCHMARK FGN EUROBOND YIELDS			
	29-Jan-25	28-Jan-25	Change in Yield
5 YRS: NIGERIA 8.375% 03/24/29	8.97%	9.04%	↓ -0.07%
10 YRS: NIGERIA 7.375% 09/29/31	9.61%	9.66%	↓ -0.05%
15 YRS: NIGERIA 7.696% 23/02/31	10.05%	10.08%	↓ -0.03%
30 YRS: NIGERIA 8.25% 09/29/51	10.33%	10.34%	↓ -0.01%
8.75% ETI 06/17/31*	8.83%	8.83%	→ 0.00%

Source: FBN UK Runs for 29-Jan-2025

NFEM (\$/₦)		Diff.
28-Jan-25	1,527.3959	
28-Jan-25	1,527.3959	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
29-Jan-25	129.63	
28-Jan-25	809.54	↓ (679.91)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.20
AIICO BALANCED FUND	3.40
AIICO EUROBOND FUND	6.95

As of January 28, 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)	39.80 (+20.93% YTD as of 28-Jan-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*77.05 (-0.15 d/d)

Source: NBS,CBN, AIICO Capital

## Nigerian Equities

The Nigerian stock market experienced a rebound today, with the NGX All-Share Index rising by 57 bps to conclude at 104,549.74 points. The market capitalization reached ₦64.52 trillion. This favorable performance was primarily driven by strong buying interest in ARADEL following its impressive unaudited earnings report for the fiscal year 2024, as well as bargain hunting in STANBIC. In terms of sector performance, among the five major indices, the Oil & Gas index showed the most significant increase, rising by 3.34%, while the Insurance index was the only sector to post a decline, falling by 1.65%.

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

## Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) saw improved liquidity, with substantial trades conducted. Most transactions were valued between \$/₦1,495 and \$/₦1,532.00.

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

## Commodities

Oil prices experienced a slight decline due to an increase in U.S. crude inventories and diminishing concerns regarding supply disruptions from Libya. Additionally, attention is drawn to U.S. tariffs on imports from Canada and Mexico. As of the latest figures, Brent crude was valued at c.\$ 77.05 per barrel, while West Texas Intermediate (WTI) was reported at around \$73.36. In the precious metals market, gold prices remained stable as investors closely monitored the upcoming decision by the U.S. Federal Reserve regarding interest rates, as well as President Donald Trump's trade policies following his recent tariff announcements, with gold trading at roughly \$2,758.49 per ounce.

**Outlook:** Oil markets are anticipated to stay unstable, and it will take time to gain a clear understanding of how U.S. policies on tariffs and sanctions will impact them.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ARADEL	594.00	54.00	↑ 10.00%
CHELLARAM	5.40	0.49	↑ 9.98%
STANBIC	71.45	6.45	↑ 9.92%
UPL	5.12	0.45	↑ 9.64%
DAARCOMM	0.84	0.07	↑ 9.09%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CAVERTON	2.07	-0.23	↓ -10.00%
MCNICHOLS	1.44	-0.16	↓ -10.00%
THOMASWY	1.84	-0.20	↓ -9.80%
VERITASKAP	1.29	-0.14	↓ -9.79%
CONHALLPLC	2.73	-0.27	↓ -9.00%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.57%	↑ 1.67%	↑ 1.58%	↑ 1.58%
NSE BANKING INDEX	↑ 0.75%	↑ 7.38%	↑ 11.56%	↑ 11.56%
NSE INSURANCE INDEX	↓ -1.65%	↓ -5.88%	↓ -0.85%	↓ -0.85%
NSE INDUSTRIAL GOODS INDEX	↑ 0.01%	↓ -1.65%	↓ -9.65%	↓ -9.65%
NSE CONSUMER GOODS INDEX	↑ 0.81%	↑ 2.17%	↑ 2.74%	↑ 2.74%
NSE OIL & GAS INDEX	↑ 3.34%	↑ 3.13%	↑ 0.86%	↑ 0.86%

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