

DATE: Thursday, 30 January 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity increased today due to the inflow of pending FAAC credits into the system. As a result, interbank rates decreased. Specifically, the Overnight Policy Rate (OPR) fell by 36 bps to 26.58%, while the Overnight Rate (O/N) dropped by 50 bps to 27.00%.

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

Treasury Bills

The Treasury bills market experienced a calm session, with sideways interest observed across both the short and long ends of the curve, despite significant system liquidity. Overall, the average mid-rate for benchmark NTBs decreased by 2 bps, settling at 22.27%.

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

FGN Bonds

The local bonds market experienced a subdued theme, with interest noted in Feb 2031 and Jan 2035 papers, but executed volumes were few and far between. Overall, the average mid-yield increased to 20.32%.

Outlook: We anticipate the same sentiment to persist tomorrow.

Eurobonds

The Eurobond market displayed mixed sentiments, with market players remaining largely unfazed following yesterday's FOMC meeting. In that meeting, the Federal Reserve opted to maintain the interest rate in the range of 4.25% to 4.50%, which was largely anticipated. Fed Chair Jerome Powell indicated that officials are not in a hurry to lower interest rates, citing a strong economy and the need for further progress on inflation. In regional markets, Nigerian bonds showed a bullish trend, while Angola's bonds remained flat from day to day. Conversely, Egypt experienced a bearish sentiment. Overall, the average mid-yield for Nigerian bonds decreased by 5 bps, closing at 9.28%.

Outlook: We expect the market to continue to trade sideways tomorrow.

BENCHMARK T-BILLS DISCOUNT RATES			
	30-Jan-25	29-Jan-25	Change in Rates
84 DAYS	21.03%	21.03%	→ 0.00%
175 DAYS	19.87%	19.87%	→ 0.00%
343 DAYS	20.85%	20.85%	→ 0.00%

Source: FMDQ DQL for 30-Jan-2025

BENCHMARK FGN BOND YIELDS			
	30-Jan-25	29-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 30-Jan-2025

BENCHMARK FGN EUROBOND YIELDS			
	30-Jan-25	29-Jan-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.88%	8.97%	↓ -0.09%
10 YRS: NGERIA 7.375% 09/29/31	9.58%	9.61%	↓ -0.03%
15 YRS: NGERIA 7.696% 23/02/31	9.99%	10.05%	↓ -0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.26%	10.33%	↓ -0.07%
8.75% ETI 06/17/31*	8.54%	8.83%	↓ -0.29%

Source: FBN UK Runs for 30-Jan-2025

NFEM (\$/₦)		Diff.
30-Jan-25	1,500.7785	
29-Jan-25	1,508.4000	↓ (7.6215)

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
30-Jan-25	507.57	
29-Jan-25	129.63	↑ 377.93

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)	39.77 (+20.85% YTD as of 29-Jan-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*76.48 (-0.57 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed positive as the All-Share Index (ASI) gained 19bps to close at 104,744.43 points, bringing the YTD return to 1.77%. Market breadth was strong, with 39 gainers outweighing 25 losers. CHELLARAM and HONYFLOUR led advancers (+10%), while GUINEAINS topped laggards (-10%). Banking stocks saw mixed sentiment, with the NGX Banking Index losing 47bps, weighed by FCMB (-3.93%) and ACCESSCORP (-1.5%), despite gains in UBA (+0.13%) and WEMABANK (+1.82%). Consumer stocks rallied, pushing the sector index up 90bps, driven by HONYFLOUR (+10%) and NNFM (+9.98%). Trading activity remained robust, though the value traded dropped 21.04% to \$7.78m. FBNH dominated flows, leading both volume and value charts, with significant crosses at ₦29.10 and ₦29.05.

Outlook: We expect the market to remain active tomorrow, with more profit-taking.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) experienced an additional appreciation of the Naira compared to the trading levels of the prior day. This improvement was attributed to a heightened influx of foreign exchange from Foreign Portfolio Investors (FPIs), International Oil Companies (IOCs), as well as participation from the Central Bank of Nigeria (CBN), resulting in the Naira strengthening and closing at a rate of \$/₦1,500.7785. Most transactions were conducted within the range of \$/₦1,490 to \$/₦1,517.00.

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

Commodities

Oil prices remained relatively stable as investors monitored the tariff threats posed by U.S. President Donald Trump against Mexico and Canada, which are the largest suppliers of crude oil to the United States. Brent crude was priced at c.\$76.48 per barrel, whereas West Texas Intermediate (WTI) was valued at around \$72.46. In the precious metals market, gold prices surged to an all-time high due to increased demand for safe-haven assets amidst concerns over U.S. tariffs. Additionally, market participants were focused on an important inflation report for insights into the Federal Reserve's future policy direction, with gold trading at approximately \$2,796.15 per ounce.

Outlook: We expect continued volatility as investors anticipate a meeting by the Organization of the Petroleum Exporting Countries and its allies, including Russia, collectively known as OPEC+, scheduled for February 3.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
HONYFLOUR	9.35	0.85	↑ 10.00%
CHELLARAM	5.94	0.54	↑ 10.00%
NNFM	55.10	5.00	↑ 9.98%
SKYAVN	40.00	3.60	↑ 9.89%
REDSTAREX	5.00	0.45	↑ 9.89%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
GUINEAINS	0.72	-0.08	↓ -10.00%
RTBRISCOE	2.70	-0.29	↓ -9.70%
VERITASKAP	1.17	-0.12	↓ -9.30%
MAYBAKER	8.65	-0.85	↓ -8.95%
DAARCOMM	0.78	-0.06	↓ -7.14%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.19%	↑ 1.90%	↑ 1.77%	↑ 1.77%
NSE BANKING INDEX	↓ -0.47%	↑ 5.78%	↑ 11.03%	↑ 11.03%
NSE INSURANCE INDEX	↑ 0.24%	↓ -4.48%	↓ -0.62%	↓ -0.62%
NSE INDUSTRIAL GOODS INDEX	↑ 1.16%	↓ -0.51%	↓ -8.60%	↓ -8.60%
NSE CONSUMER GOODS INDEX	↑ 0.90%	↑ 3.93%	↑ 3.67%	↑ 3.67%
NSE OIL & GAS INDEX	↓ -1.19%	↑ 2.28%	↓ -0.33%	↓ -0.33%

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