

# Actionable Market Insights, Delivered Weekly.

**AIICO  
CAPITAL**

## MARKET COMMENTARY

DATE: Friday | 17 January 2025

### Money Market

System liquidity remained under pressure throughout the week, primarily due to net CRR debit activities, swap rollovers, and foreign exchange settlements. Despite some improvements from OMO maturities and Remita inflows, liquidity stayed negative. As a result, interbank rates remained elevated, with the Overnight Policy Rate (OPR) and Overnight Rate (O/N) fluctuating but closing the week at 32.33% and 32.75%, respectively. Overall, the OPR increased by 5.04% w/w, and the O/N rose by 4.89% w/w.

**Outlook:** *Interbank market rates are expected to stay at their current levels unless significant inflows occur to address the liquidity issues.*

### Treasury Bills

The Treasury bills market saw sustained bullish activity throughout the week, particularly at the long end of the curve, with high demand for bills maturing between November 2025 and January 2026. Notable interest was observed in the December 2025 and January 2026 bills. Activity on the short end of the curve was limited due to a wide bid-ask spread. As the week closed, trading activity slowed, with participants selectively engaging across the spectrum. Overall, the average mid-rate for benchmark NTB papers declined by 34bps to 22.63%.

**Outlook:** *We expect cautious trading activity as participants prepare for the NTB auction next week.*

### FGN Bonds

The local bonds market traded with a bearish sentiment throughout the week, with mid-dated papers such as the February 2031 and May 2033 bonds seeing offers at 22.10% and 21.20%, respectively. Selling pressures persisted, focusing on mid to long-dated papers, including February 2031, February 2034, and June 2053. Despite some demand for the February 2031 and February 2034 bonds, overall activity remained subdued due to cautious sentiment. The release of the Q1 2025 FGN bond issuance calendar added to the market's caution. This calendar includes three offerings: a re-opening of the bond maturing on April 17, 2029, a re-opening of the bond maturing on February 21, 2031, and a newly issued bond maturing in January 2035. By week's end, bearish sentiments prevailed, and the average mid-yield across the curve rose by 39bps w/w to 20.09%.

**Outlook:** *The FGN Bonds market is expected to continue trading cautiously as participants adopt mixed positions ahead of the auction.*

### Eurobonds Markets

The Eurobond market experienced a volatile week, initially facing a bearish trend as prices in SSA and North African regions plummeted due to reduced expectations for Fed rate cuts following a strong jobs report. A rebound was observed mid-week, driven by bullish sentiments across African sovereigns, spurred by discussions within the U.S. economic team and softer inflation data. Despite this, caution returned with notable sell-offs as participants realized gains. By week's end, mixed to bearish trends prevailed, with the average mid-yield for Nigerian Eurobonds declining by 7bps w/w to 9.36%.

**Outlook:** *We expect that mixed sentiments will persist next week unless any unexpected events occur.*

BENCHMARK T-BILLS DISCOUNT RATES			
	17-Jan-25	10-Jan-25	Change in Rates
83 days	21.14%	21.47%	↓ -0.33%
174 days	22.29%	22.29%	→ 0.00%
356 days	21.47%	21.50%	↓ -0.03%

Source: FMDQ DQL for 17-Jan-2025

BENCHMARK FGN BOND YIELDS			
	17-Jan-25	10-Jan-25	Change in Yield
5 yrs: 14.55% 26-Apr-2029	21.43%	21.22%	↑ 0.21%
10 yrs: 19.00% 21-Feb-2034	21.40%	20.86%	↑ 0.54%
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 17-Jan-2025

NFEM RATE (\$/₦)		Diff.
17-Jan-25	1,546.7212	
10-Jan-25	1,542.0256	↑ 4.6956

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
17-Jan-25	(397.79)	
10-Jan-25	346.96	↓ (744.74)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.30
AIICO BALANCED FUND	1.23
AIICO EUROBOND FUND	6.64

As of January 16, 2025

BENCHMARK FGN EUROBOND YIELDS					MACRO INDICATORS	
	17-Jan-25	10-Jan-25	Change in Yield		GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
5 yrs: NGERIA 8.375% 03/24/25	9.03%	8.99%	↑	0.04%	Inflation (December 2024)	34.80% (Nov'24: 34.60% )
10 yrs: NGERIA 7.375% 09/29/25	9.59%	9.61%	↓	-0.02%	External Reserve (US\$billion)	40.35 (+22.60% YTD as of 16-Jan-25)
15 yrs: NGERIA 7.696% 23/02/25	10.04%	10.08%	↓	-0.04%	Monetary Policy Rate	27.50%
30 yrs: NGERIA 8.25% 09/29/51	10.31%	10.36%	↓	-0.05%	Cash Reserve Requirement (CRR)	50.00%
8.75% ETI 06/17/31*	8.45%	8.46%	↓	-0.01%	Brent Crude Price US\$/bbl	*80.79 (+1.03 w/w)
Source: FBN UK Runs for 17-Jan-2025					Source: NBS,CBN, AIICO Capital	

## Nigerian Equities

Bearish sentiments dominated the local bourse this week, driven by selloffs in DANGCEM, ARADEL, TRANSCORP, and MTNN, despite bargain hunting in OANDO and DANGSUGAR. The All-Share Index dropped 294bps w/w, closing at 102,353.68 points, while market capitalization settled at ₦62.85 trillion. DANGCEM resumed trading after limit-down closes, with FPIs selling heavily in GTCO and NB. NASCON experienced a rally, which briefly extended to DANGSUGAR and MTNN, but profit-taking ensued. Major off-market trades included over 15 million units of BUAFOODS. Stanbic Holdings' rights issue is ongoing, with ACCESSCORP listing additional shares from its recent rights issue.

**Outlook:** We expect the market to trade mixed sentiments next week.

## Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) remained stable throughout the week, with moderate to improved liquidity. Transactions ranged between \$/₦1,543.00 and \$/₦1,570.00. By week's end, enhanced dollar liquidity led to a tighter range of \$/₦1,540.20 to \$/₦1,552.00. Despite these fluctuations, the Naira depreciated slightly, closing at \$/₦1,546.72, reflecting a week-on-week decline of 30.5 bps.

**Outlook:** We expect the Naira to continue trading within a similar range.

## Commodities

Oil prices experienced a minor decline but achieved a fourth consecutive week of increases, as the latest U.S. sanctions on Russian energy trade raised concerns about potential oil supply disruptions. Brent crude increased to approximately \$80.79 per barrel, while West Texas Intermediate (WTI) was trading at roughly \$77.88. Additionally, gold prices faced downward pressure due to a rise in the U.S. dollar on Friday; however, they remained poised for a weekly gain as uncertainties surrounding incoming President Donald Trump's policies and renewed speculation regarding further rate cuts pushed bullion above the important \$2,700 mark. Gold was valued at about \$2,701.03 per ounce.

**Outlook:** We expect the volatility to persist.

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
OANDO	71.80	↑ 14.88%	↑ 212.33	↑ 6.85%
DANGSUGAR	38.50	↑ 16.67%	↑ 122.69	↑ 3.96%
ZENITHBANK	46.80	↑ 1.74%	↑ 46.13	↑ 1.49%
NASCON	37.65	↑ 15.85%	↑ 25.06	↑ 0.81%
TOTAL	670.00	↑ 6.35%	↑ 24.94	↑ 0.81%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
DANGCEM	400.00	↓ -16.46%	↓ 2,466.07	↓ -79.62%
TRANSCORP	46.95	↓ -8.83%	↓ 339.66	↓ -10.97%
MTNN	233.00	↓ -3.72%	↓ 336.43	↓ -10.86%
FBNH	29.20	↓ -3.31%	↓ 65.92	↓ -2.13%
JBERGER	139.80	↓ -9.98%	↓ 45.55	↓ -1.47%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.17%	↓ -2.94%	↓ -0.56%	↓ -0.56%
NSE Banking Index	↓ -0.23%	↓ -0.46%	↑ 2.83%	↑ 2.83%
NSE Insurance Index	↑ 4.04%	↓ -6.23%	↑ 3.04%	↑ 3.04%
NSE Industrial Goods Index	↓ 0.00%	↓ -8.20%	↓ -8.15%	↓ -8.15%
NSE Consumer Goods Index	↑ 0.58%	↑ 1.33%	↑ 1.67%	↑ 1.67%
NSE Oil & Gas Index	↑ 1.05%	↓ -0.78%	↓ -1.64%	↓ -1.64%

Source: NGX, Bloomberg, AIICO Capital

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