

DATE: Thursday, 06 February 2025

## MARKET COMMENTARY

### System Liquidity

Interbank liquidity fell deeper into negative territory, even with the infusion of ₦285.37 billion from treasury bills redemption. As a result, interbank rates saw a significant increase. The Overnight Policy Rate (OPR) rose by 79 bps to reach 32.29%, and the Overnight Rate (O/N) also climbed by 65 bps, closing at 32.65%.

**Outlook:** Interbank rates are likely to stay stable at their current levels, unless there are major shifts in the liquidity situation within the market.

### Treasury Bills

The Treasury Bills market exhibited significant activity today, primarily driven by post-auction dynamics. A prevailing bullish sentiment was noted as participants who were unsuccessful in the auction turned to the secondary market to satisfy their demand. Additionally, some market players seized the opportunity to take profits amid the rally. Moderate demand was observed for the January 2026 bills, as buyers selectively positioned themselves at favorable levels. Overall, trading activity remained robust, with the newly issued 1-year bill receiving the most attention. Consequently, the average mid-rate for benchmark NTBs decreased by 19 bps, settling at 21.76%.

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

### FGN Bonds

The local bonds market saw increased activity today following a robust session the previous day, as market participants directed their attention towards the newly issued one-year bill. Additionally, there was notable demand for bonds maturing in April 2029, February 2031, May 2033, February 2034, and January 2035. As a result, the overall average mid-yield decreased by 31 bps, concluding at 19.85%.

**Outlook:** We expect the buying sentiment to persist, as investors continue to actively pursue high-yielding securities.

### Eurobonds

The Eurobond market experienced mixed sentiments today. Early indications of mild buying interest in the Sub-Saharan Africa (SSA) region and selected North African bonds shifted to a bearish tone by the close of the session, prompted by profit-taking and remarks from various Federal Reserve officials. Consequently, the average mid-yield for Nigerian bonds rose by 3 bps to reach 9.20%.

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

BENCHMARK T-BILLS DISCOUNT RATES			
	06-Feb-25	05-Feb-25	Change in Rates
91 DAYS	20.75%	20.75%	→ 0.00%
182 DAYS	20.24%	20.24%	→ 0.00%
336 DAYS	20.59%	20.59%	→ 0.00%

Source: FMDQ DQL for 06-Feb-2025

BENCHMARK FGN BOND YIELDS			
	06-Feb-25	05-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	20.90%	21.12%	↓ -0.22%
10 YRS: 22.60% 29-JAN-2035	22.01%	22.02%	↓ -0.01%
13 YRS: 15.45% 21-JUN-2038	19.35%	19.35%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.78%	17.78%	→ 0.00%

Source: FMDQ DQL for 06-Feb-2025

NFEM (\$/₦)		Diff.
5-Feb-25	1,499.1400	
5-Feb-25	1,499.1400	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
6-Feb-25	(519.49)	
5-Feb-25	(266.52)	↓ (252.97)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.21
AIICO BALANCED FUND	3.81
AIICO EUROBOND FUND	6.98

As of February 05, 2025

BENCHMARK FGN EUROBOND YIELDS			
	06-Feb-25	05-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.71%	8.71%	→ 0.00%
10 YRS: NGERIA 7.375% 09/29/31	9.51%	9.51%	→ 0.00%
15 YRS: NGERIA 7.696% 23/02/31	9.91%	9.91%	→ 0.00%
30 YRS: NGERIA 8.25% 09/29/51	10.17%	10.17%	→ 0.00%
8.75% ETI 06/17/31*	8.83%	8.83%	→ 0.00%

Source: FBN UK Runs for 06-Feb-2025

MACRO INDICATORS	
GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
INFLATION (DECEMBER 2024)	34.80% (Nov24: 34.60%)
EXTERNAL RESERVE (US\$BILLION)	39.50 (+20.01% YTD as of 05-Feb-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.29 (-0.36 d/d)

Source: NBS, CBN, AIICO Capital

## Nigerian Equities

The Nigerian equities market extended its positive momentum as the ASI gained 10bps, driven by bargain hunting in TRANSCORP and ETI, bringing YTD returns to 2.43%. Market breadth remained strong, with 33 stocks advancing against 23 decliners. ETERNA (+9.88%) led the gainers, while TRIPPLEG (-9.72%) topped the losers. The NGX Banking Index edged up 9bps, driven by ETI (+2.96%) and FIDELITYBK (+1.02%), while FCMB (-3.33%) and ACCESSCORP (-0.72%) dragged. The Consumer Index gained 18bps on CADBURY (+9.88%) and VITAFOAM (+6.18%), while DANGSUGAR (-1.35%) weighed it down. Trading activity eased, with value traded down 20.09% to \$15.29m. Major crosses included 6m GEREGU at N1,035.00 and 32.27m ACCESSCORP at N27.35. Mixed sentiments persisted, with TRANSCORP (+1.13%) and ETI (+2.96%) supporting gains.

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

## Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) maintained a strong demand for foreign currency, with most transactions taking place between \$/₦1,450.00 and \$/₦1,520.00.

**Outlook:** With foreign inflows continuing to be robust, the Naira's outlook appears set for enhanced stability.

## Commodities

Oil prices declined after President Trump reaffirmed his intention to increase U.S. oil production, unsettling traders following a significant rise in crude stockpiles. Brent crude fell 32 cents to \$74.29 a barrel, while U.S. West Texas Intermediate dropped 42 cents to \$70.61. Gold prices also decreased by 1% as the stronger U.S. dollar and profit-taking following recent record highs influenced the market. Spot gold was down 0.4% to \$2,853.16 per ounce, while futures settled 0.6% lower at \$2,876.70.

**Outlook:** In the short term, oil markets are likely to experience volatility due to the impact of Trump's unpredictable decisions regarding tariffs and sanctions on global trade.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
CADBURY	26.70	2.40	↑ 9.88%
ETERNA	33.35	3.00	↑ 9.88%
FIDSON	19.10	1.70	↑ 9.77%
UPDC	2.36	0.21	↑ 9.77%
DEAPCAP	1.05	0.09	↑ 9.38%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
TRIPPLEG	2.23	-0.24	↓ -9.72%
GOLDBREW	7.87	-0.77	↓ -8.91%
VERITASKAP	1.18	-0.10	↓ -7.81%
CAVERTON	2.05	-0.12	↓ -5.53%
REGALINS	0.71	-0.03	↓ -4.05%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.10%	↑ 0.65%	↑ 0.89%	↑ 2.43%
NSE BANKING INDEX	↑ 0.09%	↑ 1.70%	↑ 2.88%	↑ 12.92%
NSE INSURANCE INDEX	↑ 0.63%	↓ -0.51%	↓ -0.03%	↓ -1.13%
NSE INDUSTRIAL GOODS INDEX	↑ 0.04%	↑ 0.16%	↑ 0.08%	↓ -8.45%
NSE CONSUMER GOODS INDEX	↑ 0.18%	↑ 0.06%	↓ -0.71%	↑ 3.74%
NSE OIL & GAS INDEX	↑ 0.13%	↓ -0.84%	↑ 0.45%	↓ -1.17%

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