

Actionable Market Insights, delivered daily.



DATE: Monday, 10 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity remained firmly negative as market illiquidity persisted. Consequently, interbank rates stayed elevated, with the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) at 32.29% and 32.65%, respectively.

Outlook: Interbank rates are expected to stay at current levels, despite the promissory note maturity that is anticipated to be credited to the system.

Treasury Bills

Today, the Treasury Bills market experienced mild activity; low system liquidity prompted some sell-offs to raise liquidity to fund obligations. Despite this situation, the bid-ask spread was notably wide, which allowed certain market participants to take advantage of favorable pricing. Nonetheless, the average mid-rate for benchmark NTBs fell by 13 bps to 21.33%.

Outlook: We anticipate that investors will continue to selectively choose the attractively priced securities.

FGN Bonds

The local bonds market showed a mixed trend, leaning towards a bearish sentiment. There were offers present throughout the curve, matched by similar buying interests. Significant interest was observed in the April 2029, February 2031, and January 2035 bonds. Consequently, the overall average mid-yield fell by 13 bps, ending at 19.65%.

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

Eurobonds

The Eurobond market ended positively as some investors targeted attractive instruments despite cautious sentiment swirling around Trump's announced 25% tariffs on steel and aluminum, heightening risk aversion ahead of Fed Chair Jerome Powell's congressional testimony. Concerns over potential reciprocal tariffs from China added to worries about inflation and potential impacts on interest rate cuts. Market participants are also focused on the upcoming consumer inflation report and labor market data. Overall, the Nigerian bonds saw an average mid-yield decrease of 7bps to 9.20%.

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

BENCHMARK T-BILLS DISCOUNT RATES			
	10-Feb-25	07-Feb-25	Change in Rates
87 DAYS	20.75%	20.75%	→ 0.00%
178 DAYS	20.24%	20.24%	→ 0.00%
346 DAYS	19.42%	19.42%	→ 0.00%

Source: FMDQ DQL for 10-Feb-2025

BENCHMARK FGN BOND YIELDS			
	10-Feb-25	07-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	20.90%	20.90%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	21.68%	21.68%	→ 0.00%
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 10-Feb-2025

BENCHMARK FGN EUROBOND YIELDS			
	10-Feb-25	07-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.75%	8.81%	↓ -0.06%
10 YRS: NGERIA 7.375% 09/29/31	9.53%	9.59%	↓ -0.06%
15 YRS: NGERIA 7.696% 23/02/31	9.92%	10.00%	↓ -0.08%
30 YRS: NGERIA 8.25% 09/29/51	10.20%	10.24%	↓ -0.04%
8.75% ETI 06/17/31*	9.14%	8.93%	↑ 0.21%

Source: FBN UK Runs for 10-Feb-2025

NFEM (\$/₦)		Diff.
7-Feb-25	1,500.4100	
7-Feb-25	1,500.4100	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
10-Feb-25	(509.26)	
7-Feb-25	(315.94)	↓ (193.32)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.27
AIICO BALANCED FUND	3.81
AIICO EUROBOND FUND	6.85

As of February 09, 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)	39.40 (+19.73% YTD as of 07-Feb-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*75.53 (+0.82 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed marginally lower as the ASI lost 4bps due to profit-taking in ZENITHBANK, UBA, FIDELITYBK, FBNH, and GTCO despite the bargain hunting in STANBIC, PRESCO, and TRANSCORP, thus, bringing YTD gains to 2.88%. Market breadth remained strong, with 44 stocks advancing while 25 declined. SMURFIT, BETAGLAS, and STANBIC (+10%) led the gainers, while INTENEGINS (-10%) topped the losers. The NGX Banking Index declined 102bps due to losses in FIDELITYBK (-4.81%), FCMB (-3.36%), and UBA (-2.68%), though STANBIC (+10%) provided some support. The Consumer Index gained 10bps, driven by HONYFLOUR (+9.98%) and NNFM (+9.96%). The Oil & Gas and Industrial indices also saw modest gains. Trading activity slowed, with value traded down 22.11% to \$6.92m. Key crosses included 57m FIDELITYBK and 12m ACCESSCORP. Mixed market sentiment persisted as STANBIC (+10%) and TRANSCORP (+1.85%) offset banking sector losses.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) remained stable, with most transactions occurring between \$/₦1,480.00 and \$/₦1,515.00.

Outlook: We expect the Naira to remain stable.

Commodities

Oil prices experienced a rebound amid persistent concerns regarding a possible global trade conflict following U.S. President Donald Trump's recent tariff proposals targeting steel and aluminum. By 1413 GMT, Brent crude futures increased by 1.2%, reaching \$75.53 per barrel, while U.S. West Texas Intermediate crude rose by 1.3% to \$71.90. Concurrently, gold prices continued their upward trajectory, surpassing the key \$2,900 mark due to heightened safe-haven demand, with spot gold surging to \$2,900.25 per ounce.

Outlook: We expect the volatility to persist.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
BETAGLAS	95.15	8.65	↑ 10.00%
STANBIC	68.20	6.19	↑ 9.98%
HONYFLOUR	10.47	0.95	↑ 9.96%
ETERNA	40.30	3.65	↑ 9.96%
NNFM	80.60	7.27	↑ 9.92%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
INTENEGINS	2.25	-0.25	↓ -10.00%
RTBRISCOE	2.44	-0.26	↓ -9.63%
JBERGER	128.00	-11.80	↓ -8.44%
DEAPCAP	1.00	-0.09	↓ -8.26%
DAARCOMM	0.75	-0.06	↓ -7.41%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.04%	↑ 1.21%	↑ 1.34%	↑ 2.88%
NSE BANKING INDEX	↓ -1.02%	↑ 4.01%	↑ 3.59%	↑ 13.70%
NSE INSURANCE INDEX	↑ 1.98%	↑ 3.07%	↑ 3.63%	↑ 2.49%
NSE INDUSTRIAL GOODS INDEX	↑ 0.08%	↑ 1.04%	↑ 0.93%	↓ -7.67%
NSE CONSUMER GOODS INDEX	↑ 0.10%	↑ 0.11%	↓ -0.50%	↑ 3.96%
NSE OIL & GAS INDEX	↑ 0.09%	↑ 0.64%	↑ 0.66%	↓ -0.97%

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