

MARKET COMMENTARY

System Liquidity

Interbank liquidity improved at the start of the day but remained in a deep deficit. Conditions worsened after the settlement of the OMO auction, which withdrew approximately ₦1.39 trillion from the system, keeping rates above 32.0%. By the end of the session, the Overnight Policy Rate (OPR) and Overnight Rate (O/N) settled at 32.28% and 32.75%, respectively.

Outlook: Given the absence of anticipated major inflows and a considerably higher debit market position tomorrow, we expect interbank rates to remain elevated.

Treasury Bills

The Treasury Bills market remained calm after the OMO auction announcement, with participants placing bids and awaiting results. Demand was mainly at the long end, leading to limited trades. Post-auction, interest surged in the new OMO bill as unsuccessful bidders sought to fill orders. The CBN offered ₦600 billion but sold c.₦1.39 trillion amid ₦1.91 trillion in subscriptions. Stop rates for 355-day and 362-day bills closed at 21.3249% and 21.45%, respectively. Overall, the average mid-rate for the benchmark NTB papers remained relatively unchanged at 21.27%.

Outlook: We anticipate investors will selectively seek attractive securities despite the prevailing liquidity shortage.

FGN Bonds

The local bonds market witnessed a subdued theme throughout the day, with limited demand around the mid-tenor segment, particularly for the February 2031 and January 2035 bonds. Trading activity was subdued as participants awaited the outcome of the OMO auction. Overall, the average mid-yield increased by 4 bps to 19.73%.

Outlook: We anticipate the prevailing market sentiment will continue in tomorrow's trading session.

Eurobonds

The Eurobond market rebounded today, driven by strong demand across the SSA and North African regions despite weaker oil prices. Nigeria and Angola saw gains of approximately +0.875 points, while Egypt averaged around +0.5 points. Additionally, the Producer Price Index (PPI), a key indicator of consumer inflation, rose by 0.4%, surpassing the expected 0.3% increase. This suggests a resilient manufacturing sector and potential upward pressure on interest rates, benefiting the USD. Meanwhile, the average mid-rate for Nigerian Eurobonds fell by 13bps to 9.06%.

Outlook: We anticipate a mixed trading session tomorrow as market participants assess prevailing macroeconomic conditions.

BENCHMARK T-BILLS DISCOUNT RATES			
	13-Feb-25	12-Feb-25	Change in Rates
84 DAYS	20.13%	20.13%	→ 0.00%
175 DAYS	19.75%	19.75%	→ 0.00%
343 DAYS	18.93%	19.05%	↓ -0.12%

Source: FMDQ DQL for 13-Feb-2025

BENCHMARK FGN BOND YIELDS			
	13-Feb-25	12-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	21.64%	21.64%	→ 0.00%
13 YRS: 15.45% 21-JUN-2038	19.35%	19.35%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.55%	17.55%	→ 0.00%

Source: FMDQ DQL for 13-Feb-2025

BENCHMARK FGN EUROBOND YIELDS			
	13-Feb-25	12-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.56%	8.70%	↓ -0.14%
10 YRS: NGERIA 7.375% 09/29/31	9.35%	9.50%	↓ -0.15%
15 YRS: NGERIA 7.696% 23/02/31	9.82%	9.92%	↓ -0.10%
30 YRS: NGERIA 8.25% 09/29/51	10.09%	10.21%	↓ -0.12%
8.75% ETI 06/17/31*	8.94%	8.94%	→ 0.00%

Source: FBN UK Runs for 13-Feb-2025

NFEM (\$/₦)		Diff.
12-Feb-25	1,504.3000	
12-Feb-25	1,504.3000	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
13-Feb-25	(551.24)	
12-Feb-25	(668.26)	↑ 117.03

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.04
AIICO BALANCED FUND	6.91
AIICO EUROBOND FUND	5.34

As of February 12, 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)	39.15 (+18.96% YTD as of 12-Feb-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.18 (-1.00 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market sustained its bullish run as the ASI gained 125bps, bringing YTD returns to 6.07%. Market breadth was mixed, with 35 stocks advancing while 25 declined. REGALINS, SUNUASSUR, and DANGCEM (+10%) led the gainers, while GOLDBREW (-9.91%) topped the losers. Trading activity slowed, with UNIVINSURE leading in volume (23.23m shares) and ZENITHBANK topping value traded (N839.41m). The NGX Banking Index gained 59bps, driven by ETI (+8.13%) and WEMABANK (+2.63%). The Consumer Index rose 44bps on PZ (+9.96%) and HONYFLOUR (+9.95%). Market sentiment remained positive despite a 10.14% drop in value traded to \$/₦1,480.00. DANGCEM (+10%), ETI (+8.13%), and PZ (+9.96%) were the key drivers of the ASI's upward movement.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) faced ongoing demand pressure for foreign currency due to constrained supply, maintaining a predominantly bid market. Most transactions occurred between \$/₦1,480.00 to \$/₦1,520.00.

Outlook: We expect the Naira to continue to trade around similar levels.

Commodities

Oil prices declined by over 1%, weighed down by ongoing prospects of a peace deal between Russia and Ukraine, along with rising crude inventories in the U.S. By 1400 GMT, Brent crude had fallen \$1, or 1.3%, to \$74.18 per barrel, while U.S. West Texas Intermediate (WTI) crude dropped 97 cents, or 1.4%, to \$70.40. Meanwhile, gold prices rose as concerns grew over U.S. President Donald Trump's upcoming tariff plans, which could further strain global trade relations. Spot gold gained 0.3% to \$2,913.40 per ounce as of 11:58 a.m. ET (1658 GMT), edging closer to its record high of \$2,942.70 reached on Tuesday. U.S. gold futures advanced 0.4% to \$2,941.40.

Outlook: We anticipate continued market fluctuations driven by rising inflation and the possibility of a peaceful resolution in Ukraine.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
REGALINS	0.77	0.07	↑ 10.00%
SUNUASSUR	6.27	0.57	↑ 10.00%
DANGCEM	474.10	43.10	↑ 10.00%
HMCALL	5.51	0.50	↑ 9.98%
PZ	25.95	2.35	↑ 9.96%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
GOLDBREW	7.09	-0.78	↓ -9.91%
LINKASSURE	1.38	-0.10	↓ -6.76%
ETERNA	45.50	-3.20	↓ -6.57%
CWG	8.10	-0.55	↓ -6.36%
CHAMS	2.31	-0.09	↓ -3.75%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.25%	↑ 3.55%	↑ 4.47%	↑ 6.07%
NSE BANKING INDEX	↑ 0.59%	↑ 2.23%	↑ 5.17%	↑ 15.44%
NSE INSURANCE INDEX	↑ 0.07%	↑ 3.89%	↑ 3.86%	↑ 2.72%
NSE INDUSTRIAL GOODS INDEX	↑ 4.66%	↑ 10.37%	↑ 10.45%	↑ 1.04%
NSE CONSUMER GOODS INDEX	↑ 0.44%	↑ 1.56%	↑ 0.84%	↑ 5.36%
NSE OIL & GAS INDEX	↓ -0.23%	↑ 0.15%	↑ 0.61%	↓ -1.02%

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