

Actionable Market Insights, delivered daily.



DATE: Monday, 17 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity remained negative, reflecting ongoing illiquidity within the financial system. Consequently, interbank rates remained high. The Overnight Policy Rate (OPR) and the Overnight Rate (O/N) were recorded at 32.45% and 32.80%, respectively.

Outlook: We anticipate that interbank rates will stay high due to the lack of expected significant inflows.

Treasury Bills

The Treasury Bills market opened the week quietly, with only mild activity observed at the long end of the curve. Participants remained on the sidelines in anticipation of this week's NTB auction and the upcoming release of January 2025's inflation numbers, which are expected to influence the MPC's interest rate decision. Overall, the average mid-rate for the benchmark NTB papers settled at 21.05%.

Outlook: We expect investors to remain cautious in the near term.

FGN Bonds

The local bonds market also experienced a muted theme; however, few trades were executed on the mid-tenor papers, especially the February 2031 and January 2035 maturities. Overall, the average mid-yield closed at 19.75%.

Outlook: We expect the current market sentiment to be sustained in tomorrow's trading session.

Eurobonds

The Eurobond market experienced low activity today due to the US holiday, leading to reduced liquidity in SSA and North African securities. Overall, the average mid-rate for Nigerian Eurobonds settled at 9.01%. In related news, Ghana's new administration has initiated discussions with the IMF to revise its \$3 billion bailout program, addressing issues related to overly optimistic revenue projections, as mentioned by President John Mahama. Additionally, Kenya's National Treasury has adjusted its fiscal deficit forecast to 4.9% of GDP for the current year, aiming to reduce it to 4.3% by 2026, with a total updated shortfall of \$6.67 billion.

Outlook: We anticipate that activities will return to normal tomorrow, with participants closely monitoring this week's FOMC meeting minutes.

BENCHMARK T-BILLS DISCOUNT RATES			
	17-Feb-25	14-Feb-25	Change in Rates
94 DAYS	19.17%	19.17%	→ 0.00%
185 DAYS	19.69%	19.69%	→ 0.00%
339 DAYS	18.93%	18.93%	→ 0.00%

Source: FMDQ DQL for 17-Feb-2025

BENCHMARK FGN BOND YIELDS			
	17-Feb-25	14-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	21.54%	21.63%	↓ -0.09%
13 YRS: 15.45% 21-JUN-2038	19.35%	19.35%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.60%	17.60%	→ 0.00%

Source: FMDQ DQL for 17-Feb-2025

BENCHMARK FGN EUROBOND YIELDS			
	17-Feb-25	14-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.53%	8.52%	↑ 0.01%
10 YRS: NGERIA 7.375% 09/29/31	9.30%	9.30%	→ 0.00%
15 YRS: NGERIA 7.696% 23/02/31	9.78%	9.77%	↑ 0.01%
30 YRS: NGERIA 8.25% 09/29/51	10.04%	10.05%	↓ -0.01%
8.75% ETI 06/17/31*	8.94%	8.94%	→ 0.00%

Source: FBN UK Runs for 17-Feb-2025

NFEM (\$/₦)			Diff.
17-Feb-25	1,508.5889		
14-Feb-25	1,508.6637		↓ (0.0748)

Source: FMDQ

SYS. LIQ. (₦'BN)			Diff.
17-Feb-25	(805.37)		
14-Feb-25	(3,101.44)		↑ 2,296.07

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.18
AIICO BALANCED FUND	5.48
AIICO EUROBOND FUND	6.96

As of February 16, 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)	39.04 (+18.61% YTD as of 14-Feb-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.86 (-0.53 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed in the red as the All-Share Index declined by 11bps, trimming YTD gains to 4.87%. Market breadth was negative, with 42 stocks losing against 20 gainers. NB (+10%) led the gainers, while IKEJAHOTEL and LEARNAFRCA (-10%) topped the laggards. Sectoral performance was mixed. The NGX Consumer Index rose 135bps, buoyed by NB (+10%) and CADBURY (+9.97%), while the Banking Index lost 40bps, dragged by UBA (-0.9%) and GTCO (-0.71%). The Oil & Gas Index dipped 107bps on OANDO (-8.43%). Trading activity was concentrated in ACCESSCORP, which led both volume (143.65m) and value (N4.03b). Crosses in ACCESSCORP, STANBIC, and NB dominated an otherwise muted session, closing on a net negative trend.

Outlook: We anticipate that the market will reflect similar sentiments in tomorrow's session.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) continued to experience strong demand for foreign currency, resulting in a mostly bid market. However, there was a noticeable increase in dollar liquidity today. Most transactions took place within the range of \$/₦1,450.00 to \$/₦1,520.00.

Outlook: We anticipate that the Naira will maintain trading at around the same levels.

Commodities

Oil prices remained largely stable as investors kept an eye on potential peace talks between Russia and Ukraine, which could alleviate sanctions affecting the energy supply. Meanwhile, a weaker dollar and decreased supply from the Caspian region limited selling pressure. Brent crude futures rose by 12 cents to \$74.86 per barrel, and U.S. West Texas Intermediate crude increased by 20 cents to \$70.94 per barrel. Gold prices climbed back above \$2,900 an ounce due to the weaker dollar and looming trade war concerns, with spot gold up to \$2,896.41.

Outlook: The fundamentals indicate an oversupply of oil this year as the market grapples with how U.S. tariffs may hinder demand growth and the possible easing of Russian sanctions.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
NB	36.30	3.30	↑ 10.00%
CADBURY	32.00	2.90	↑ 9.97%
TIP	4.45	0.40	↑ 9.88%
INTENEGINS	2.45	0.22	↑ 9.87%
ENAMELWA	23.20	2.00	↑ 9.43%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
IKEJAHOTEL	12.60	-1.40	↓ -10.00%
LEARNAFRCA	3.87	-0.43	↓ -10.00%
CORNERST	3.13	-0.34	↓ -9.80%
UPDC	3.41	-0.37	↓ -9.79%
VFDGROUP	52.40	-5.60	↓ -9.66%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.11%	↑ 1.93%	↑ 3.29%	↑ 4.87%
NSE BANKING INDEX	↓ -0.40%	↑ 0.38%	↑ 3.98%	↑ 14.13%
NSE INSURANCE INDEX	↓ -1.69%	↓ -1.18%	↑ 2.40%	↑ 1.28%
NSE INDUSTRIAL GOODS INDEX	↑ 0.12%	↑ 10.40%	↑ 11.43%	↑ 1.93%
NSE CONSUMER GOODS INDEX	↑ 1.35%	↓ -2.43%	↓ -2.92%	↑ 1.43%
NSE OIL & GAS INDEX	↓ -1.07%	↓ -3.44%	↓ -2.81%	↓ -4.38%

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