

DATE: Tuesday, 18 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity deteriorated further, deepening into negative territory, which underscores the persistent illiquidity in the financial system. Nonetheless, interbank rates experienced a marginal decline, with the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) settling at 32.30% and 32.70%, respectively.

Outlook: We expect interbank rates to remain elevated owing to the absence of anticipated substantial inflows.

Treasury Bills

The Treasury Bills market experienced increased bullish momentum after the release of the highly anticipated rebased CPI figures for January 2025, which revealed a notable drop in headline inflation by over 10% in absolute terms to 24.48%, compared to December 2024's figure of 34.80%. As a result, rates fell significantly across the curve, especially for long-dated securities. Overall, the average mid-rate for benchmark NTB papers closed at 19.03%, marking a decline of 30 bps.

Outlook: We anticipate subdued activity tomorrow, though with a bullish undertone, as investors shift their attention to the NTB auction. During the auction, the DMO plans to offer ₦700 billion across the 91-day, 182-day, and 364-day tenors.

FGN Bonds

The local bonds market also saw a bullish trend, with yields dropping notably across the curve, especially for the February 2031 and January 2035 maturities. Overall, the average mid-yield fell by 43 bps, closing at 19.29%.

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

Eurobonds

The Eurobond market exhibited a mixed to bullish trend, with buying interest concentrated on Nigerian sovereign papers, while Angola and Egypt experienced a bearish tone, particularly for mid- to long-dated securities. Nigeria continues to benefit from the bullish sentiment, further bolstered by the release of the rebased CPI figures. Overall, the average mid-yield for benchmark Nigerian Eurobond papers settled at 9.00%.

Outlook: We anticipate the current sentiment to continue tomorrow, as market participants await the release of the January 2025 FOMC meeting minutes.

BENCHMARK T-BILLS DISCOUNT RATES			
	18-Feb-25	17-Feb-25	Change in Rates
93 DAYS	19.17%	19.17%	→ 0.00%
184 DAYS	19.69%	19.69%	→ 0.00%
338 DAYS	18.59%	18.93%	↓ -0.34%

Source: FMDQ DQL for 18-Feb-2025

BENCHMARK FGN BOND YIELDS			
	18-Feb-25	17-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	20.08%	20.90%	↓ -0.82%
10 YRS: 22.60% 29-JAN-2035	21.46%	21.54%	↓ -0.08%
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 18-Feb-2025

BENCHMARK FGN EUROBOND YIELDS			
	18-Feb-25	17-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.48%	8.53%	↓ -0.05%
10 YRS: NGERIA 7.375% 09/29/31	9.28%	9.30%	↓ -0.02%
15 YRS: NGERIA 7.696% 23/02/31	9.72%	9.78%	↓ -0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.02%	10.04%	↓ -0.02%
8.75% ETI 06/17/31*	8.94%	8.94%	→ 0.00%

Source: FBN UK Runs for 18-Feb-2025

NFEM (\$/₦)			Diff.
17-Feb-25	1,508.5889		
17-Feb-25	1,508.5889		→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)			Diff.
18-Feb-25	(1,064.83)		
17-Feb-25	(805.37)		↓ (259.46)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.28
AIICO BALANCED FUND	5.42
AIICO EUROBOND FUND	6.96

As of February 17, 2025

MACRO INDICATORS	
GDP (Q3 2024)	+3.46% (Q2: 2024 +3.19% y/y)
INFLATION (JANUARY'2025)	24.48% (Dec'24: 34.80%)
EXTERNAL RESERVE (US\$'BILLION)	38.88 (+18.13% YTD as of 17-Feb-25)
MONETARY POLICY RATE	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*75.26 (+0.40 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed on a negative note, with the All-Share Index losing 25bps, reserving a YTD gain of 4.61%. Market breadth was weak, with 40 losers compared to 16 gainers. CONHALLPLC (+9.76%) led the gainers, while TIP (-9.89%) topped the losers. The NGX Banking Index dropped 102bps, impacted by FBNH (-2.77%) and ZENITHBANK (-1.36%), while WEMABANK (+1.25%) provided some support. The Consumer Index lost 39bps, under pressure from CADBURY (-9.06%) and HONYFLOUR (-5.93%). The Oil & Gas Index declined by 24bps, and the Industrial Index slipped 18bps, mainly due to WAPCO (-1.34%). Trading activity was concentrated in a few stocks, with GUINNESS, ACCESSCORP, and UBA dominating. Value traded dropped 12.07% to \$7.44m, and market sentiment was negative with moderate price decline.

Outlook: We anticipate the market will follow a similar pattern in trading tomorrow.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) saw the Naira strengthen compared to the previous day's trading levels. This was driven by a rise in foreign exchange (FX) supply from Foreign Portfolio Investors (FPIs), with trading rates ranging between \$/₦1,450.00 to \$/₦1,515.00.

Outlook: We expect the Naira to continue trading at similar levels.

Commodities

Oil prices remained steady as the U.S. and Russia advanced diplomatic efforts to end the Ukraine war, while traders evaluated the impact of drone attacks on a key pipeline for Kazakhstan's oil exports. Brent crude futures inched up 4 cents to \$75.26 per barrel by 10:53 a.m. EST, while U.S. West Texas Intermediate (WTI) crude gained 48 cents, or 0.7%, to \$71.22. Meanwhile, gold prices rose amid economic uncertainty surrounding U.S. President Donald Trump's tariff plans, with spot gold climbing 0.9% to \$2,923.89 per ounce.

Outlook: We anticipate that volatility will continue as traders await clearer signals on whether OPEC+ will move forward with plans to increase oil supply starting in April or postpone it to a later date.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
CONHALLPLC	3.71	0.33	↑ 9.76%
SUNUASSUR	6.52	0.57	↑ 9.58%
NEIMETH	3.35	0.27	↑ 8.77%
CORNERST	3.35	0.22	↑ 7.03%
WAPIC	2.70	0.15	↑ 5.88%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
TIP	4.01	-0.44	↓ -9.89%
UNIONDICON	7.35	-0.80	↓ -9.82%
UPDC	3.10	-0.31	↓ -9.09%
CADBURY	29.10	-2.90	↓ -9.06%
ROYALEX	0.92	-0.07	↓ -7.07%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.25%	↑ 1.68%	↑ 3.04%	↑ 4.61%
NSE BANKING INDEX	↓ -1.02%	↓ -0.64%	↑ 2.93%	↑ 12.97%
NSE INSURANCE INDEX	↑ 2.63%	↑ 1.42%	↑ 5.10%	↑ 3.94%
NSE INDUSTRIAL GOODS INDEX	↓ -0.18%	↑ 10.21%	↑ 11.23%	↑ 1.75%
NSE CONSUMER GOODS INDEX	↓ -0.39%	↓ -2.81%	↓ -3.30%	↑ 1.03%
NSE OIL & GAS INDEX	↓ -0.24%	↓ -3.67%	↓ -3.04%	↓ -4.60%

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