

MARKET COMMENTARY

System Liquidity

Interbank liquidity worsened further, sinking deeper into negative territory, highlighting the ongoing liquidity crunch in the financial system. As a result, interbank rates stayed high, with the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) closing at 32.29% and 32.83%, respectively.

Outlook: *The net NTB settlement of c.₦504 billion is anticipated to alleviate pressure on interbank rates tomorrow.*

Treasury Bills

The Treasury Bills market saw a quiet session as investor attention shifted to the NTB auction, where the CBN offered ₦700 billion across 91-day, 182-day, and 364-day tenors. The CBN sold c.₦774.13 billion, with total subscriptions reaching around ₦2.408 trillion. Stop rates for the 91-day, 182-day, and 364-day papers fell by 100bps, 50bps, and 189bps, closing at 17.00%, 18.00%, and 18.43%, respectively. The average mid-rate for benchmark NTB papers ended the day at 18.44%.

Outlook: *We expect a mixed to bullish session, as unmet bids from the auction are likely to flow into the secondary market, while some participants may seek to lock in profits on their successful bids.*

FGN Bonds

The local bonds market displayed a bullish trend, with consistent demand observed for on-the-run papers, specifically the April 2029, February 2031, and January 2035 maturities. Interest also extended to surrounding mid-tenor papers, such as the May 2033, as investors selectively targeted attractive, high-yielding securities following the release of revised/rebased CPI figures. Overall, the average mid-yield declined by 11 bps, settling at 19.18%.

Outlook: *We anticipate the bullish sentiment to continue in tomorrow's session, as the lower stop rates from the NTB auction are likely to drive increased demand for bond securities ahead of next Monday's FGN bond auction.*

Eurobonds

The Eurobond market showed a mixed to downward trend today, closing on a weaker note as risk sentiment weighed on the market following former President Donald Trump's comments on potential 25% tariffs on automobile and pharmaceutical imports, with a formal announcement anticipated by April. The possibility of escalating trade tensions added to broader market uncertainty, while hopes for a resolution to the Ukraine conflict were tempered by the absence of Kyiv and European representatives in U.S.-Russia negotiations. Overall, the average mid-yield for benchmark Nigerian Eurobonds increased by 3 bps, ending at 9.03%.

Outlook: *We anticipate the mixed market sentiment to continue into tomorrow's session.*

BENCHMARK T-BILLS DISCOUNT RATES

	19-Feb-25	18-Feb-25	Change in Rates
92 DAYS	19.17%	19.17%	→ 0.00%
183 DAYS	19.69%	19.69%	→ 0.00%
337 DAYS	18.59%	18.59%	→ 0.00%

Source: FMDQ DQL for 19-Feb-2025

BENCHMARK FGN BOND YIELDS

	19-Feb-25	18-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	20.08%	20.08%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	21.46%	21.46%	→ 0.00%
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 19-Feb-2025

NFEM (\$/₦)

		Diff.
18-Feb-25	1,507.2230	
18-Feb-25	1,507.2230	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)

		Diff.
19-Feb-25	(1,588.39)	
18-Feb-25	(1,064.83)	↓ (523.57)

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

BENCHMARK FGN EUROBOND YIELDS				
	19-Feb-25	18-Feb-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.56%	8.48%	↑	0.08%
10 YRS: NGERIA 7.375% 09/29/31	9.35%	9.28%	↑	0.07%
15 YRS: NGERIA 7.696% 23/02/31	9.82%	9.72%	↑	0.10%
30 YRS: NGERIA 8.25% 09/29/51	10.07%	10.02%	↑	0.05%
8.75% ETI 06/17/31*	8.73%	8.94%	↓	-0.21%

Source: FBN UK Runs for 19-Feb-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	*76.00 (+0.74 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed in positive territory as the All-Share Index (ASI) gained 87 bps, pushing the year-to-date return to 5.52%. BUA Foods (+9.91%) led the gainers, while UPL and International Energy Insurance (-9.8%) topped the losers' chart. Access Holdings dominated both volume and value charts, trading 65.1 million shares worth ₦1.8 billion. Sectoral performance was mixed. The NGX Banking Index declined by 61bps, weighed down by FCMB (-4.11%) and FBNH (-1.58%). The NGX Consumer Index surged 416bps, driven by BUA Foods. The Oil & Gas Index edged up 3bps, while the Industrial Index closed flat. Despite the positive ASI movement, overall trading activity was subdued, with value traded dropping 23.35% to \$5.71 million.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) experienced relative stability today, as trading rates fluctuated between \$/₦1,500.00 to \$/₦1,520.00.

Outlook: We anticipate the Naira maintaining its current trading range in the near term.

Commodities

Oil prices remained near a one-week high due to concerns over supply disruptions in Russia and the U.S., while investors awaited clarity on potential sanctions as Washington worked toward a resolution of the Ukraine conflict. By 1:17 p.m. EST, Brent crude edged up 16 cents to \$76.00 per barrel, while WTI gained 36 cents to \$72.21. Meanwhile, gold prices declined after reaching a record high earlier, pressured by a stronger dollar and uncertainty over Trump's latest tariff threats. Spot gold fell 0.5% to \$2,920.74 per ounce by 1:35 p.m. ET, after peaking at \$2,946.85.

Outlook: We expect ongoing volatility as Trump's tariffs may pressure oil prices by increasing consumer costs, slowing the global economy, and curbing fuel demand. Concerns over European and Chinese demand are also limiting price gains.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
BUAFOODS	3.71	0.33	↑ 9.91%
RTBRISCOE	6.52	0.42	↑ 6.91%
ETERNA	3.35	0.20	↑ 6.25%
SUNUASSUR	3.35	0.19	↑ 6.13%
VERITASKAP	2.70	0.15	↑ 6.03%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
UPL	4.60	-0.50	↓ -9.80%
INTENEGINS	2.21	-0.24	↓ -9.80%
UNIONDICON	6.65	-0.70	↓ -9.52%
MCNICHOLS	1.60	-0.15	↓ -8.57%
DAARCOMM	0.64	-0.05	↓ -7.25%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.87%	↑ 1.91%	↑ 3.94%	↑ 5.52%
NSE BANKING INDEX	↓ -0.61%	↓ -1.68%	↑ 2.30%	↑ 12.28%
NSE INSURANCE INDEX	↑ 0.29%	↑ 1.52%	↑ 5.41%	↑ 4.25%
NSE INDUSTRIAL GOODS INDEX	↓ 0.00%	↑ 7.62%	↑ 11.23%	↑ 1.75%
NSE CONSUMER GOODS INDEX	↑ 4.16%	↑ 1.77%	↑ 0.73%	↑ 5.24%
NSE OIL & GAS INDEX	↑ 0.03%	↓ -3.63%	↓ -3.01%	↓ -4.58%

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