

**Actionable
Market Insights,
delivered daily.**

**AIICO
CAPITAL**

DATE: Thursday, 20 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity showed slight improvement at the opening but remained in negative territory, even after the net credit from the NTB auction settlement. Consequently, interbank rates remained elevated, with the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) ending at 32.25% and 32.67%, respectively.

Outlook: We anticipate a slight easing in interbank rates, supported by the expected inflows from FGN bond coupon payments tomorrow.

Treasury Bills

The Treasury Bills market experienced moderate activity today as some investors turned to the secondary market to compensate for lost bids. However, they resisted lower offers, with most unwilling to trade below the 18.00% threshold. Investors also remained cautious ahead of the MPC meeting later in the day. As anticipated, the CBN maintained all policy parameters unchanged, keeping the MPR at 27.50%. Following the announcement, limited interest persisted on the long end above 18.00%. Overall, the average mid-rate for benchmark NTB papers closed at 18.46%.

Outlook: We anticipate mixed sentiment in the near term as investors carefully assess their options amid the relatively low yields in the NTB market.

FGN Bonds

The local bonds market maintained a strong bullish momentum, with steady demand for on-the-run papers, particularly the April 2029, February 2031, and January 2035 maturities. Demand also spread to nearby mid-tenor papers, including the February 2034, May 2033, and June 2038 maturities, as investors focused on selectively acquiring attractive, high-yielding securities. Overall, the average mid-yield dropped by 19 bps, closing at 18.99%.

Outlook: We expect the bullish sentiment to persist in tomorrow's session, though cautiously, ahead of next Monday's FGN bond auction.

Eurobonds

The Eurobond market showed mixed to bullish sentiment, with notable interest seen across the Nigerian curve, especially following the MPC's decision to maintain the benchmark interest rate amid falling inflation. Some demand was also noted for Egyptian papers, while the Angola curve experienced slightly bearish trends. Overall, the average mid-yield for benchmark Nigerian Eurobonds fell by 4 bps, closing at 9.00%.

Outlook: We expect the mixed to positive market sentiment to persist in tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	20-Feb-25	19-Feb-25	Change in Rates
91 DAYS	18.53%	19.17%	↓ -0.64%
182 DAYS	17.97%	19.69%	↓ -1.72%
336 DAYS	18.24%	18.59%	↓ -0.35%

Source: FMDQ DQL for 20-Feb-2025

BENCHMARK FGN BOND YIELDS			
	20-Feb-25	19-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	20.36%	21.46%	↓ -1.10%
13 YRS: 15.45% 21-JUN-2038	18.45%	19.35%	↓ -0.90%
28 YRS: 15.70% 21-JUN-2053	17.60%	17.60%	→ 0.00%

Source: FMDQ DQL for 20-Feb-2025

NFEM (\$/₦)		Diff.
19-Feb-25	1,509.0387	
19-Feb-25	1,509.0387	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
20-Feb-25	(1,225.53)	
19-Feb-25	(1,588.39)	↑ 362.86

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 EUROBOOND YIELDS				
	20-Feb-25	19-Feb-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.49%	8.56%	↓	-0.07%
10 YRS: NGERIA 7.375% 09/29/31	9.33%	9.35%	↓	-0.02%
15 YRS: NGERIA 7.696% 23/02/31	9.79%	9.82%	↓	-0.03%
30 YRS: NGERIA 8.25% 09/29/51	10.03%	10.07%	↓	-0.04%
8.75% ETI 06/17/31*	8.73%	8.73%	→	0.00%

Source: FBN UK Runs for 20-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)	38.83 (+17.97% YTD as of 18-Feb-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*76.54 (+0.54 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed slightly lower as the All-Share Index (ASI) declined by 4bps, bringing the year-to-date (YTD) return to 5.48%. ABBEYBDS (+10%) led the gainers, while UNIONDICON (-9.77%) topped the losers. ELLAHLAKES recorded the highest trading volume at 136.68 million shares, while GTCO led in value at N1.31 billion. Sector performance was mixed. The NGX Banking Index lost 68bps due to declines in FIDELITYBK (-2.63%) and ACCESSCORP (-2.18%), despite gains in FCMB (+3.33%). The Consumer Goods Index gained 69bps, driven by NASCON (+3.06%) and DANGSUGAR (+2.7%), while NB (-2.86%) weighed on performance. The Oil & Gas Index fell 103bps as ARADEL (-2.72%) and OANDO (-1.51%) declined, while the Industrial Goods Index gained 1bp on BETAGLAS (+4.88%). Trading activity was muted, with value traded dropping 25.19% to \$5.58m. Losses in MTNN (-0.45%) and ACCESSCORP (-2.18%) contributed to the market's negative close.

Outlook: We anticipate a mixed market tomorrow.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) maintained relative stability, supported by interventions from the Central Bank, with trading rates ranging between \$/N1,490.00 to \$/N1,515.00.

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

Commodities

Oil prices remained steady after nearing a one-week high in the previous session, as market sentiment was dampened by an industry report indicating a rise in U.S. crude inventories. Brent crude gained 50 cents to \$76.54 per barrel, while WTI advanced 46 cents to \$72.71. Meanwhile, gold prices soared to a new record as escalating trade tensions, driven by U.S. President Donald Trump's tariff threats, increased demand for safe-haven assets. Spot gold remained stable at \$2,930.19 per ounce after reaching \$2,954.69 earlier, marking its tenth record high of the year.

Outlook: We anticipate continued volatility as the market remains directionless, balancing supply disruptions in Kazakhstan and the OPEC+ production delay against concerns over global demand.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ABBEYBDS	3.41	0.31	↑ 10.00%
UPL	5.05	0.45	↑ 9.78%
SOVRENINS	1.26	0.11	↑ 9.57%
REGALINS	0.71	0.05	↑ 7.58%
TIP	4.30	0.29	↑ 7.23%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
UNIONDICON	6.00	-0.65	↓ -9.77%
DEAPCAP	0.92	-0.07	↓ -7.07%
CWG	8.20	-0.50	↓ -5.75%
IKEJAHOTEL	11.90	-0.70	↓ -5.56%
TANTALIZER	1.95	-0.10	↓ -4.88%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.04%	↑ 0.69%	↑ 3.90%	↑ 5.48%
NSE BANKING INDEX	↓ -0.68%	↓ -2.83%	↑ 1.60%	↑ 11.51%
NSE INSURANCE INDEX	↑ 0.53%	↑ 2.10%	↑ 5.96%	↑ 4.79%
NSE INDUSTRIAL GOODS INDEX	↑ 0.01%	↑ 5.41%	↑ 11.24%	↑ 1.76%
NSE CONSUMER GOODS INDEX	↑ 0.69%	↑ 1.01%	↑ 1.42%	↑ 5.96%
NSE OIL & GAS INDEX	↓ -1.03%	↓ -4.81%	↓ -4.01%	↓ -5.56%

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