

Actionable Market Insights, delivered daily.

AIICO CAPITAL

DATE: Monday, 24 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity started the week in negative territory, reflecting ongoing liquidity challenges. As a result, interbank rates stayed high, with the Overnight Policy Rate (OPR) and the Overnight Rate (O/N) rising by 7 bps to close at 32.40% and 32.90%, respectively.

Outlook: We anticipate interbank rates will stay high unless there is a significant inflow.

Treasury Bills

The Treasury Bills market started the week quietly, with limited trading activity across the curve. Most interest was concentrated on the long end, particularly the 22 Jan 2026, 10 Feb 2026, and 19 Feb 2026 papers, while the mid-tenors saw modest participation and few completed trades. Overall, the average mid-rate for benchmark NTB papers ended the day at 18.32%.

Outlook: We expect the market to remain cautious, though with a mixed undertone.

FGN Bonds

The local bonds market saw subdued activity as investors focused on today's FGN bond auction, where the DMO offered ₦350 billion, split between the April 2029 (₦200 billion) and February 2031 (₦150 billion) papers. Demand persisted for the January 2035 paper, though offers were scarce, while mixed interest was noted for the February 2031 and June 2053 papers. Overall, the average mid-yield fell by 38 bps, settling at 18.31%.

Outlook: We anticipate that the outcome of the FGN bond auction will shape market activity tomorrow.

Eurobonds

The Eurobond market experienced bearish sentiment today, influenced by a risk-off tone across the region. However, Kenyan Eurobonds outperformed, ending positively across the benchmark curve. This uptick was fueled by news that Kenya is poised to receive a \$1.5 billion loan from the United Arab Emirates in a single tranche by next week, deviating from the original staggered disbursement plan. The anticipated inflow is expected to ease Kenya's external financing challenges, enhancing investor confidence in its sovereign debt. Also, Kenya plans new Eurobonds to buy back \$900 Million of its 7% notes due 2027. Overall, the average mid-yield for benchmark Nigerian Eurobonds rose by 5 bps to 8.94%.

Outlook: We expect a modest rebound in tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	24-Feb-25	21-Feb-25	Change in Rates
87 DAYS	18.53%	18.53%	→ 0.00%
178 DAYS	17.97%	17.97%	→ 0.00%
332 DAYS	18.24%	18.24%	→ 0.00%

Source: FMDQ DQL for 24-Feb-2025

BENCHMARK FGN BOND YIELDS			
	24-Feb-25	21-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	19.12%	19.44%	↓ -0.32%
13 YRS: 15.45% 21-JUN-2038	18.45%	18.45%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.60%	17.60%	→ 0.00%

Source: FMDQ DQL for 24-Feb-2025

NFEM (\$/₦)		Diff.
21-Feb-25	1,500.7304	
21-Feb-25	1,500.7304	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
24-Feb-25	(726.11)	
21-Feb-25	(722.58)	↓ (3.53)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.67
AIICO BALANCED FUND	5.48
AIICO EUROBOND FUND	7.08

As of February 23, 2025

BENCHMARK FGN EUROBOND YIELDS				
	24-Feb-25	21-Feb-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.38%	8.37%	↑	0.01%
10 YRS: NGERIA 7.375% 09/29/31	9.26%	9.22%	↑	0.04%
15 YRS: NGERIA 7.696% 23/02/31	9.76%	9.71%	↑	0.05%
30 YRS: NGERIA 8.25% 09/29/51	9.98%	9.94%	↑	0.04%
8.75% ETI 06/17/31*	8.42%	8.42%	→	0.00%

Source: FBN UK Runs for 24-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)	38.70 (+17.58% YTD as of 21-Feb-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*74.37 (-0.31 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed lower as the All-Share Index (ASI) declined by 34bps, bringing the year-to-date (YTD) return to 5.05%. IKEJAHOTEL (+10%) led the gainers, while NNFM (-9.99%) topped the losers. JAIZBANK recorded the highest trading volume at 48.19 million shares, while ZENITHBANK led in value at ₦1.37 billion. Sectoral performance was weak. The NGX Banking Index fell 144bps due to losses in FBNH (-4.07%) and ACCESSCORP (-2.64%), with only WEMABANK (+0.83%) posting gains. The Consumer Goods Index lost 15bps, dragged by NNFM (-9.99%) and HONYFLOUR (-4.65%), while PZ (+9.26%) provided some support. The Oil & Gas Index dropped 27bps on ETERNA (-2.96%), while the Industrial Goods Index declined 7bps. Trading activity saw a 10.16% uptick in value to \$6.12m, though volumes remained muted. MTNN saw intra-day weakness at ₦237.80 but closed flat at ₦264.20. Bearish sentiments dominated the session.

Outlook: We anticipate mixed market sentiment in tomorrow's session.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) remained relatively stable, bolstered by Central Bank interventions, as trading rates fluctuated between \$/₦1,500.00 to \$/₦1,515.00.

Outlook: We expect the Naira to hold steady within its current trading range.

Commodities

Oil prices remained stable as investors monitored developments in peace talks on the Ukraine conflict and assessed the potential restart of crude exports from northern Iraq. Brent crude slipped 6 cents (0.1%) to \$74.37 per barrel by 1302 GMT, while WTI fell 14 cents (0.2%) to \$70.26. Meanwhile, gold prices surged to a record high as safe-haven demand strengthened amid concerns over U.S. President Donald Trump's tariff policies, with further support from increased inflows into the top gold-backed ETF. Spot gold rose 0.2% to \$2,941.60 an ounce after reaching \$2,956.15 earlier, marking its eleventh record high in 2025.

Outlook: We expect volatility in oil prices, driven by geopolitical events and U.S. policy updates in the near term.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
IKEJAHOTEL	12.10	1.10	↑ 10.00%
UHOMREIT	40.25	3.65	↑ 9.97%
PZ	29.50	2.50	↑ 9.26%
CONHALLPLC	4.18	0.34	↑ 8.85%
DAARCOMM	0.74	0.06	↑ 8.82%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
NNFM	72.55	-8.05	↓ -9.99%
EUNISELL	10.85	-1.20	↓ -9.96%
SOVRENINS	1.20	-0.12	↓ -9.09%
NSLTECH	0.62	-0.05	↓ -7.46%
NSLTECH	6.30	-0.45	↓ -6.67%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.34%	↑ 0.18%	↑ 3.47%	↑ 5.05%
NSE BANKING INDEX	↓ -1.44%	↓ -4.23%	↓ -0.41%	↑ 9.31%
NSE INSURANCE INDEX	↓ -0.86%	↑ 2.33%	↑ 4.79%	↑ 3.64%
NSE INDUSTRIAL GOODS INDEX	↓ -0.07%	↓ -0.15%	↑ 11.27%	↑ 1.79%
NSE CONSUMER GOODS INDEX	↓ -0.15%	↑ 4.98%	↑ 1.91%	↑ 6.47%
NSE OIL & GAS INDEX	↓ -0.27%	↓ -2.08%	↓ -4.83%	↓ -6.36%

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