

Actionable Market Insights, delivered daily.



DATE: Tuesday, 25 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity improved sharply today, turning positive after the credit of c.₦813.25 billion OMO maturities. Consequently, interbank rates eased, with the Overnight Policy Rate (OPR) dropping by 2.40% to 30.00% and the Overnight Rate (O/N) falling by 2.33% to 30.57%.

Outlook: Tomorrow's FGN bond auction settlement of c.₦910 billion will drain interbank liquidity, likely pushing rates back to elevated levels around 32.5%.

Treasury Bills

The Treasury Bills market showed a bullish tone today despite tight liquidity conditions. The long-end bills, especially the January and February maturities, attracted the most interest. Limited offers were observed as some players aimed to capitalize on market levels, resulting in only a few trades being executed. Overall, the average mid-rate for benchmark NTB papers closed at 18.01%.

Outlook: We anticipate the market will maintain a slightly bullish tone.

FGN Bonds

The local bonds market saw heightened activity driven by post-auction demand from investors who missed out and turned to the secondary market to fill their lost orders. At the auction, the DMO offered ₦350 billion, divided between the April 2029 (₦200 billion) and February 2031 (₦150 billion) papers. However, total allotments reached c.₦910.39 billion, with the 19.30% FGN APR 2029 and 18.50% FGN FEB 2031 papers allotted at marginal rates of 19.20% and 19.33%, respectively. Post-auction interest was particularly strong on the mid-tenor papers, including the April 2029s, February 2031s, February 2034s, and January 2035s. Overall, the average mid-yield closed at 18.31%.

Outlook: We anticipate the mixed to bullish sentiment to continue in the near term.

Eurobonds

The Eurobond market saw mixed to bearish sentiment today, influenced by geopolitical tensions and tariff discussions. While the Nigerian curve showed modest recovery by the close, the Angola and Egypt curves remained slightly bearish. Overall, the average mid-yield for benchmark Nigerian Eurobonds ended at 8.95%.

Outlook: We anticipate a slight rebound in tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	25-Feb-25	24-Feb-25	Change in Rates
86 DAYS	18.53%	18.53%	→ 0.00%
177 DAYS	17.97%	17.97%	→ 0.00%
331 DAYS	17.90%	18.24%	↓ -0.34%

Source: FMDQ DQL for 25-Feb-2025

BENCHMARK FGN BOND YIELDS			
	25-Feb-25	24-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.59%	20.08%	↓ -0.49%
10 YRS: 22.60% 29-JAN-2035	19.12%	19.12%	→ 0.00%
13 YRS: 15.45% 21-JUN-2038	18.65%	18.45%	↑ 0.20%
28 YRS: 15.70% 21-JUN-2053	16.74%	17.60%	↓ -0.86%

Source: FMDQ DQL for 25-Feb-2025

NFEM (\$/₦)		Diff.
25-Feb-25	1,495.9100	
24-Feb-25	1,497.1100	↓ (1.2000)

Source: FMDQ

SYS. LIQ. (₦BN)		Diff.
25-Feb-25	50.28	
24-Feb-25	(726.11)	↑ 776.39

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.50
AIICO BALANCED FUND	4.42
AIICO EUROBOND FUND	7.04

As of February 24, 2025

BENCHMARK FGN EUROBOOND YIELDS	25-Feb-25	24-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.41%	8.38%	↑ 0.03%
10 YRS: NGERIA 7.375% 09/29/31	9.29%	9.26%	↑ 0.03%
15 YRS: NGERIA 7.696% 23/02/31	9.77%	9.76%	↑ 0.01%
30 YRS: NGERIA 8.25% 09/29/51	9.99%	9.98%	↑ 0.01%
8.75% ETI 06/17/31*	8.42%	8.42%	→ 0.00%

Source: FBN UK Runs for 25-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	*73.17 (-1.20 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market extended its bearish run as the All-Share Index (ASI) declined by 32bps, bringing the year-to-date (YTD) gain to 4.72%. SMURFIT (+10%) led the gainers, while HONYFLOUR (-10%) topped the losers. ACCESSCORP recorded the highest volume at 36.85 million shares, while ARADEL led in value at ₦1.59 billion. Market breadth remained negative, with 49 stocks declining against 13 gainers. The NGX Banking Index lost 56bps, weighed down by WEMABANK (-1.64%) and FIDELITYBK (-1.1%). The Consumer Goods Index dropped 22bps, dragged by HONYFLOUR (-10%) and CHAMPION (-8.98%). The Oil & Gas Index fell 104bps due to OANDO (-9.72%), while the Industrial Goods Index edged down 2bps. Trading activity saw a 9.85% increase in value to \$6.72m, with notable block trades including 11m ACCESSCORP at ₦25.65 and 14.7m GUINNESS at ₦74. Despite the losses, most price declines were marginal.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) maintained stability, with trading rates ranging between \$/₦1,495.00 to \$/₦1,505.00. Overall, the naira strengthened by 8 bps to \$/₦1,495.91.

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

Commodities

Oil prices dropped over 2% to a two-month low following weak economic data from the U.S. and Germany, compounded by concerns over President Donald Trump's tariff policies. Brent crude declined \$1.61 (2.25%) to \$73.17 per barrel by 10:34 a.m. EST (1534 GMT), while U.S. WTI fell \$1.60 (2.3%) to \$69.10. Meanwhile, gold prices retreated as investors took profits after a record high, though trade war fears continued to drive safe-haven demand. Spot gold slipped 0.6% to \$2,934.99 an ounce as of 09:55 a.m. (1455 GMT), after peaking at \$2,956.15.

Outlook: The market is awaiting U.S. oil inventory data, with reports expected from the Energy Information Administration (EIA) on Wednesday.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
NGXGROUP	32.00	2.90	↑ 9.97%
REDSTAREX	7.33	0.64	↑ 9.57%
ABCTRANS	1.33	0.10	↑ 8.13%
NPFMCRFBK	1.84	0.09	↑ 5.14%
NSLTECH	0.65	0.03	↑ 4.84%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
HONYFLOUR	11.25	-1.25	↓ -10.00%
MORISON	3.25	-0.36	↓ -9.97%
UPL	4.55	-0.50	↓ -9.90%
INTENEGINS	2.13	-0.23	↓ -9.75%
OANDO	52.00	-5.60	↓ -9.72%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.32%	↑ 0.10%	↑ 3.14%	↑ 4.72%
NSE BANKING INDEX	↓ -0.56%	↓ -3.78%	↓ -0.97%	↑ 8.69%
NSE INSURANCE INDEX	↓ -3.52%	↓ -3.80%	↑ 1.10%	↓ -0.01%
NSE INDUSTRIAL GOODS INDEX	↓ -0.02%	↑ 0.01%	↑ 11.25%	↑ 1.77%
NSE CONSUMER GOODS INDEX	↓ -0.22%	↑ 5.16%	↑ 1.69%	↑ 6.24%
NSE OIL & GAS INDEX	↓ -1.04%	↓ -2.87%	↓ -5.82%	↓ -7.34%

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction.

Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance.

AIICO Capital is regulated by the Securities and Exchange Commission and is licensed to provide fund and portfolio management services in Nigeria.