

Actionable Market Insights, delivered daily.



DATE: Wednesday, 26 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity dropped sharply today after the FGN bond auction settlement of approximately ₦910.30 billion. As a result, interbank rates surged, with the Overnight Policy Rate (OPR) climbing by 1.71% to 31.71% and the Overnight Rate (O/N) rising by 1.64% to 32.21%.

Outlook: We anticipate interbank rates will hold steady until FAAC inflows are received.

Treasury Bills

The Treasury Bills market maintained a bullish tone today, with sustained buying interest on the long end of the curve driving yields lower. However, limited offers resulted in only a few trades, primarily on the December 2025, February 5, and February 19, 2026, papers. Overall, the average mid-rate for benchmark NTB papers fell by 16 bps to 17.84%.

Outlook: We expect the market to sustain its positive momentum.

FGN Bonds

The local bonds market extended its bullish trend as investors remained focused on the short-to-mid tenors. This demand further pushed yields down on key bonds, including the April 2029s, February 2031s, May 2033s, February 2034s, and January 2035s. Overall, the average mid-yield dropped by 28 bps to 18.02%.

Outlook: We expect the mixed to positive tone to persist unless an unexpected catalyst emerges.

Eurobonds

The Eurobond market recovered today, with buying interest seen across Sub-Saharan African (SSA) and North African papers. This comes as stock futures indicate a higher opening, mirroring Asia's strong performance despite weak U.S. economic data. Overall, the average mid-yield for benchmark Nigerian Eurobonds fell by 7 bps to 8.88%.

Outlook: We anticipate the current sentiment will continue into tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	26-Feb-25	25-Feb-25	Change in Rates
85 DAYS	18.53%	18.53%	→ 0.00%
176 DAYS	17.97%	17.97%	→ 0.00%
330 DAYS	17.90%	17.90%	→ 0.00%

Source: FMDQ DQL for 26-Feb-2025

BENCHMARK FGN BOND YIELDS			
	26-Feb-25	25-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.00%	19.59%	↓ -0.60%
10 YRS: 22.60% 29-JAN-2035	19.12%	19.12%	→ 0.00%
13 YRS: 15.45% 21-JUN-2038	18.65%	18.65%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	16.74%	16.74%	→ 0.00%

Source: FMDQ DQL for 26-Feb-2025

BENCHMARK FGN EUROBOND YIELDS			
	26-Feb-25	25-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.33%	8.41%	↓ -0.08%
10 YRS: NGERIA 7.375% 09/29/31	9.22%	9.29%	↓ -0.07%
15 YRS: NGERIA 7.696% 23/02/31	9.69%	9.77%	↓ -0.08%
30 YRS: NGERIA 8.25% 09/29/51	9.93%	9.99%	↓ -0.06%
8.75% ETI 06/17/31*	8.22%	8.42%	↓ -0.20%

Source: FBN UK Runs for 26-Feb-2025

NFEM (\$/₦)		Diff.
25-Feb-25	1,495.9100	
25-Feb-25	1,495.9100	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
26-Feb-25	(840.39)	
25-Feb-25	50.28	↓ (890.67)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.21
AIICO BALANCED FUND	5.52
AIICO EUROBOND FUND	7.04

As of February 25, 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)	38.58 (+17.22% YTD as of 24-Feb-25)
MONETARY POLICY RATE (FEB/2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.21 (-0.96 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed slightly positive as the All-Share Index (ASI) edged up by 2bps, bringing the YTD return to 4.73%. Market breadth was positive, with 34 gainers versus 16 losers. AFRIPRUD (+9.90%) led the gainers, while GUINEAINS (-10%) topped the losers' chart. ACCESSCORP recorded the highest volume at 36.55 million shares, while ZENITHBANK led in value with N1.29 billion traded. Sectoral performance was mixed. The NGX Banking Index lost 21bps due to declines in GTCO (-2.4%) and FIDELITYBK (-0.28%), despite gains in ACCESSCORP (+0.19%), UBA (+0.82%), and FBNH (+1.69%). The Consumer Index gained 58bps, driven by HONYFLOUR (+5.33%) and NB (+4.16%). The Oil & Gas Index fell 68bps as OANDO (-7.69%) dragged the sector down. Trading activity was muted, with value traded declining 16.84% to \$5.59m. Banking and oil palm stocks saw the most activity, while market sentiment remained mixed.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) remained stable, with trading rates fluctuating between \$/N1,495.00 to \$/N1,515.00.

Outlook: We anticipate the Naira will remain stable within its existing trading range.

Commodities

Oil prices remained near two-month lows as an unexpected rise in U.S. fuel stockpiles signaled weaker demand, while ongoing Russia-Ukraine peace talks pressured prices. Brent crude declined 31 cents (0.42%) to \$72.71 per barrel by 11 a.m. EST (1600 GMT), and U.S. WTI fell 20 cents (0.29%) to \$68.73. Meanwhile, gold prices retreated following a record rally, with investors awaiting inflation data and updates on President Donald Trump's tariff policies. Spot gold dropped 0.7% to \$2,894.55 an ounce as of 09:44 a.m. ET (1444 GMT), after hitting a record high of \$2,956.15 on Monday.

Outlook: Optimism is growing for a peace agreement between Russia and Ukraine, while the market is also monitoring potential impacts from a U.S.-Ukraine minerals deal.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
AFRIPRUD	33.30	3.00	↑ 9.90%
CAVERTON	2.45	0.22	↑ 9.87%
OMATEK	0.79	0.06	↑ 8.22%
LASACO	3.09	0.20	↑ 6.92%
ETERNA	42.00	2.60	↑ 6.60%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
GUINEAINS	0.72	-0.08	↓ -10.00%
EUNISELL	9.80	-1.05	↓ -9.68%
TIP	3.67	-0.32	↓ -8.02%
OANDO	48.00	-4.00	↓ -7.69%
UNIONDICON	5.55	-0.45	↓ -7.50%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.02%	↓ -0.75%	↑ 3.16%	↑ 4.73%
NSE BANKING INDEX	↓ -0.21%	↓ -3.40%	↓ -1.18%	↑ 8.47%
NSE INSURANCE INDEX	↑ 0.83%	↓ -3.28%	↑ 1.94%	↑ 0.82%
NSE INDUSTRIAL GOODS INDEX	↑ 0.01%	↑ 0.03%	↑ 11.26%	↑ 1.78%
NSE CONSUMER GOODS INDEX	↑ 0.58%	↑ 1.54%	↑ 2.28%	↑ 6.86%
NSE OIL & GAS INDEX	↓ -0.68%	↓ -3.56%	↓ -6.46%	↓ -7.97%

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