

DATE: Thursday, 27 February 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity saw some improvement today but stayed in negative territory. However, interbank rates rose, with the Overnight Policy Rate (OPR) increasing by 62 bps to 32.33% and the Overnight Rate (O/N) rising by 54 bps to 32.75%.

Outlook: We expect interbank rates to remain stable pending the FAAC inflows.

Treasury Bills

The Treasury Bills market saw a quiet session with limited activity across the mid-to-long tenors of the NTB curve, particularly on the February 5 and February 19, 2026, papers. Buy interest emerged as participants aimed to secure positions at current levels, though offers were limited. In the OMO space, offers were notable on the longer end, but few trades were executed due to subdued buying interest. Overall, the average mid-rate for benchmark NTB papers declined by 6 bps to 17.74%.

Outlook: We anticipate the market will maintain a mixed to positive tone as the month concludes.

FGN Bonds

The local bonds market saw continued activity around the mid-tenors, though with limited intensity. Due to relatively wide bid/ask spreads, trading volumes remained low. Most trades focused on the April 2029s, February 2031s, May 2033s, February 2034s, January 2035s, and June 2053 papers. Overall, the average mid-yield closed at 18.07%.

Outlook: We anticipate the mixed sentiment will continue into tomorrow.

Eurobonds

The Eurobond market closed mixed as investor sentiment varied. Yield-seeking investors drove selective buying in certain sovereign issues, while profit-taking in other areas tempered gains. Kenya issued \$1.5 billion in 11-year Eurobonds at a 9.5% coupon, priced at 97.2 cents, as part of a debt swap strategy. Meanwhile, economic data highlighted U.S. resilience amid cooling labor markets and persistent inflation. Initial jobless claims rose to 242k, signaling softer labor demand, while the Core PCE Price Index hit 2.70%, above estimates, reflecting sticky inflation. Q4 GDP growth matched estimates at 2.3%. Overall, the average mid-yield for Nigerian Eurobonds settled at 8.88%.

Outlook: We expect the prevailing sentiment to carry over into tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	27-Feb-25	26-Feb-25	Change in Rates
84 DAYS	18.53%	18.53%	→ 0.00%
175 DAYS	17.97%	17.97%	→ 0.00%
329 DAYS	17.90%	17.90%	→ 0.00%

Source: FMDQ DQL for 27-Feb-2025

BENCHMARK FGN BOND YIELDS			
	27-Feb-25	26-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.00%	19.00%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	18.47%	19.12%	↓ -0.65%
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 27-Feb-2025

BENCHMARK FGN EUROBOND YIELDS			
	27-Feb-25	26-Feb-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.36%	8.33%	↑ 0.03%
10 YRS: NGERIA 7.375% 09/29/31	9.25%	9.22%	↑ 0.03%
15 YRS: NGERIA 7.696% 23/02/31	9.69%	9.69%	→ 0.00%
30 YRS: NGERIA 8.25% 09/29/51	9.94%	9.93%	↑ 0.01%
8.75% ETI 06/17/31*	8.21%	8.22%	↓ -0.01%

Source: FBN UK Runs for 27-Feb-2025

NFEM (\$/₦)		Diff.
27-Feb-25	1,499.0700	
26-Feb-25	1,499.1100	↓ (0.0400)

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
27-Feb-25	(555.41)	
26-Feb-25	(840.39)	↑ 284.99

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.37
AIICO BALANCED FUND	7.21
AIICO EUROBOND FUND	7.02

As of February 26, 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)	38.50 (+16.97% YTD as of 26-Feb-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.96 (+1.75 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed lower as the All-Share Index (ASI) declined by 11bps, bringing the YTD return to 4.61%. Market breadth was mixed, with 29 gainers against 23 losers. PZ and OANDO (+10%) led the gainers, while FIDSON (-9.6%) topped the losers' chart. FCMB recorded the highest volume at 102.27 million shares, while ZENITHBANK led in value with N1.6 billion traded. Sectoral performance was largely negative. The NGX Banking Index lost 75bps, dragged down by ETI (-9.51%), FIDELITYBK (-0.84%), and WEMABANK (-0.83%). The Consumer Index dipped 17bps due to INTBREW (-4.39%) and NB (-0.14%), while the Industrial Index fell 43bps as WAPCO (-3.23%) declined. Conversely, the Oil & Gas Index gained 88bps, driven by OANDO (+10%). Value traded rose 13.67% to \$6.37m, with notable crosses in FCMB, ACCESSCORP, and ZENITHBANK. Despite bearish sentiment, most price movements remained marginal.

Outlook: *We anticipate the month will end with mixed sentiment.*

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) maintained stability, with trading rates ranging between \$/₦1,496.00 to \$/₦1,500.50. Overall, the Naira strengthened, closing at \$/₦1,499.07.

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

Commodities

Oil prices climbed 2% as supply concerns resurfaced following U.S. President Donald Trump's decision to revoke Chevron's license to operate in Venezuela. However, gains were limited by signs of a possible Ukraine peace deal, which could boost Russian oil exports, and an unexpected rise in U.S. gasoline and distillate inventories. Brent crude rose \$1.43 (2%) to \$73.96 per barrel by 11:00 a.m. EST (1600 GMT), while WTI gained \$1.46 (2.1%) to \$70.08. Meanwhile, gold prices dropped to a two-week low as a stronger dollar and inflation data anticipation pressured the market, with spot gold down 1.2% at \$2,882.49 an ounce.

Outlook: *Chevron's departure may lower Venezuela's oil production, potentially enabling OPEC+ to boost output. If this happens, U.S. coastal refiners could face increased procurement expenses.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
OANDO	52.80	4.80	↑ 10.00%
PZ	32.45	2.95	↑ 10.00%
HONYFLOUR	13.03	1.18	↑ 9.96%
CAVERTON	2.69	0.24	↑ 9.80%
LIVESTOCK	6.90	0.59	↑ 9.35%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
FIDSON	17.90	-1.90	↓ -9.60%
ETI	31.40	-3.30	↓ -9.51%
GUINEAINS	0.66	-0.06	↓ -8.33%
PRESTIGE	1.11	-0.09	↓ -7.50%
SUNUASSUR	5.52	-0.38	↓ -6.44%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.11%	↓ -0.82%	↑ 3.04%	↑ 4.61%
NSE BANKING INDEX	↓ -0.75%	↓ -3.46%	↓ -1.91%	↑ 7.66%
NSE INSURANCE INDEX	↓ -0.92%	↓ -4.67%	↑ 1.01%	↓ -0.11%
NSE INDUSTRIAL GOODS INDEX	↓ -0.43%	↓ -0.42%	↑ 10.78%	↑ 1.34%
NSE CONSUMER GOODS INDEX	↓ -0.17%	↑ 0.68%	↑ 2.11%	↑ 6.68%
NSE OIL & GAS INDEX	↑ 0.88%	↓ -1.70%	↓ -5.64%	↓ -7.16%

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