

DATE: Wednesday, 05 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity saw a notable improvement and remained positive. However, the Overnight Policy Rate (OPR) rose by 8 bps to 26.50%, and the Overnight Rate (O/N) increased by 9 bps to 26.92%.

Outlook: We expect interbank rates to remain stable barring any major liquidity pressures.

Treasury Bills

The Treasury Bills market remained quiet today as focus shifted to the NTB primary market auction, where the DMO offered ₦650 billion across 91-day, 182-day, and 364-day papers. Minimal activity was observed on the short and long ends, particularly the 22 May 2025, 5 Feb 2026, and 19 Feb 2026 papers. Overall, the average mid-rate for benchmark NTB papers dropped by 6 bps to 17.64%.

Outlook: We anticipate the auction outcome will shape market activity tomorrow.

FGN Bonds

The local bonds market saw limited activity today, with most participants staying on the sidelines despite some offers around the mid-tenors. Trading volumes were low, with most of the activity focused on the April 2029 and February 2031 papers. Overall, the average mid-yield ended at 18.08%.

Outlook: We expect the market will maintain a mixed tone in tomorrow's session.

Eurobonds

The Eurobond market initially rebounded as optimism grew over potential tariff relief under President Donald Trump. However, sentiment turned bearish amid further drop in oil prices and after a weaker-than-expected private-sector jobs report raised concerns about economic growth. ADP data revealed only 77,000 jobs added in February, a sharp decline from January and well below forecasts. This report, part of a series leading to Friday's nonfarm payrolls data, highlighted potential economic vulnerabilities. Overall, the average mid-yield for Nigerian Eurobonds increased by 5 bps to 9.02%.

Outlook: We anticipate the current market sentiment will continue in the near term.

BENCHMARK T-BILLS DISCOUNT RATES			
	05-Mar-25	04-Mar-25	Change in Rates
92 DAYS	18.44%	18.44%	→ 0.00%
183 DAYS	17.99%	17.99%	→ 0.00%
323 DAYS	17.90%	17.90%	→ 0.00%

Source: FMDQ DQL for 05-Mar-2025

BENCHMARK FGN BOND YIELDS			
	05-Mar-25	04-Mar-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	18.75%	18.65%	↑ 0.10%
10 YRS: 22.60% 29-JAN-2035	18.47%	18.47%	→ 0.00%
13 YRS: 15.45% 21-JUN-2038	18.12%	18.12%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	16.74%	16.74%	→ 0.00%

Source: FMDQ DQL for 05-Mar-2025

BENCHMARK FGN EUROBOND YIELDS			
	05-Mar-25	04-Mar-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.45%	8.37%	↑ 0.08%
10 YRS: NGERIA 7.375% 09/29/31	9.38%	9.40%	↓ -0.02%
15 YRS: NGERIA 7.696% 23/02/31	9.82%	9.74%	↑ 0.08%
30 YRS: NGERIA 8.25% 09/29/51	10.04%	9.97%	↑ 0.07%
8.75% ETI 06/17/31*	8.00%	8.00%	→ 0.00%

Source: FBN UK Runs for 05-Mar-2025

NFEM (\$/₦)		Diff.
5-Mar-25	1,500.8000	
4-Mar-25	1,491.6700	↑ 9.1300

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
5-Mar-25	807.98	
4-Mar-25	519.11	↑ 288.86

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.62
AIICO BALANCED FUND	5.24
AIICO EUROBOND FUND	6.99

As of March 04, 2025

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (JANUARY 2025)	24.48% (Dec'24: 34.80%)
EXTERNAL RESERVE (US\$BILLION)	38.35 (-6.18% YTD as of 04-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*68.46 (-2.12 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market sustained its bearish momentum as the All-Share Index (ASI) declined by 44bps, bringing YTD gains to 3.41%. Market breadth remained weak, with 12 gainers against 43 losers. TANTALIZER (+9.64%) led the gainers, while CAVERTON (-10%) topped the losers. FIDELITYBK led the volume chart with 47.92m units traded, while OKOMUOIL dominated the value chart at N2.53b. Sectoral performance was broadly negative. The NGX Banking Index fell 83bps due to WEMABANK (-8.33%) and FCMB (-5%), while the Consumer Index plunged 151bps on losses in HONYFLOUR (-6.5%) and NB (-5.59%). The Oil & Gas Index dipped 7bps as ETERNA (-9.66%) weighed on performance, while the Industrial Index closed flat. Value traded surged 56.38% to \$7.53m, with OKOMUOIL and select banking stocks driving over 55% of the day's activity. Notable crosses included 4.55m OKOMUOIL at N543, while most other volumes were executed outside block trades.

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

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) remained stable, with exchange rates ranging from \$/₦1,497.10 to \$/₦1,505.00. Consequently, the Naira weakened by 63 bps, closing at \$/₦1,500.80.

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

Commodities

Brent crude tumbled to its lowest level in over three years on Wednesday, pressured by a larger-than-expected rise in U.S. crude stockpiles, concerns over OPEC+ output plans for April, and U.S. tariffs on Canada, China, and Mexico. By 11:42 a.m. EST (1642 GMT), Brent futures had dropped \$2.58 (3.6%) to \$68.46 per barrel, after hitting \$68.33, its weakest since December 2021. WTI crude fell \$2.90 (4.3%) to \$65.36, touching its lowest since May 2023. Meanwhile, gold prices edged higher, supported by a weaker dollar as investors awaited U.S. payroll data. Spot gold rose 0.2% to \$2,923.16 an ounce, while U.S. gold futures gained 0.4% to \$2,933.

Outlook: We anticipate that the U.S. tariffs on China, Canada, and Mexico will heighten worries about an economic slowdown and its potential effect on energy demand.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
TANTALIZER	2.16	0.19	↑ 9.64%
CHAMPION	4.20	0.30	↑ 7.69%
CWG	8.35	0.45	↑ 5.70%
DEAPCAP	0.95	0.05	↑ 5.56%
NAHCO	63.00	1.95	↑ 3.19%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CAVERTON	2.52	-0.28	↓ -10.00%
CONHALLPLC	3.56	-0.39	↓ -9.87%
ETERNA	34.15	-3.65	↓ -9.66%
FTNCOCOA	1.52	-0.16	↓ -9.52%
LINKASSURE	1.20	-0.12	↓ -9.09%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.44%	↓ -1.26%	↓ -1.28%	↑ 3.41%
NSE BANKING INDEX	↓ -0.83%	↓ -4.65%	↓ -3.78%	↑ 3.42%
NSE INSURANCE INDEX	↓ -3.88%	↓ -4.74%	↓ -3.72%	↓ -3.95%
NSE INDUSTRIAL GOODS INDEX	→ 0.00%	↓ -0.44%	↓ -0.01%	↑ 1.33%
NSE CONSUMER GOODS INDEX	↓ -1.51%	↓ -3.44%	↓ -2.88%	↑ 3.19%
NSE OIL & GAS INDEX	↓ -0.07%	↑ 2.63%	↓ 0.00%	↓ -5.55%

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.