

DATE: Thursday, 06 March 2025

## MARKET COMMENTARY

### System Liquidity

Interbank liquidity significantly improved today, but the market tightened following the CBN's OMO auction. The CBN offered ₦600 billion across two long-dated papers, with subscriptions reaching ₦1.877 trillion and allotments totaling ₦1.677 trillion. Due to funding pressure from the OMO settlement, rates surged to elevated levels of 32.5% - 33%. Overall, the Overnight Policy Rate (OPR) climbed by 1.64% to 28.14%, and the Overnight Rate (O/N) increased by 1.58% to 28.50%.

**Outlook:** Tomorrow, with no significant inflows expected and potential CRR activities by the CBN, rates are likely to remain at their elevated levels.

### Treasury Bills

The Treasury Bills market saw increased activity following yesterday's NTB auction results, with demand driven by players who missed out and sought to fill bids. Profit-taking was noted on the new 1-year (5th March) and 4th September bills. The DMO offered ₦650 billion across 91-day, 182-day, and 364-day papers, oversubscribed by ₦1.27 trillion and oversold by ₦180.44 billion. Stop rates for the 182-day and 364-day bills fell by 25bps and 61bps, to 17.75% and 17.82%, respectively, while the 91-day remained unchanged at 17.00%. Trading focused on the 1-year bill, which traded 42bps lower than the auction level, with rates between 17.50% - 18.01%. Activity waned after the CBN floated an OMO auction, where stop rates for the 2 tenors settled at 19.19% and 19.45%, respectively. Overall, the average mid-rate for benchmark NTB papers increased by 10bps to 17.71%.

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

### FGN Bonds

The local bonds market witnessed minimal activity today as most players remained on the sidelines despite a few offers around the belly of the curve. Consequently, traded volumes were low with most of the activity concentrated on the new apr 2029 and Feb 2031 papers. Overall, the average mid-yield ended at 18.08%.

**Outlook:** We expect the market will remain range-bound in tomorrow's session.

### Eurobonds

The Eurobond market plunged to session lows as tariff uncertainties from the Trump administration and declining crude prices weighed on sentiment. Investors also reacted to weekly jobless claims data, which showed 221,000 initial claims, below last week's figures and economist forecasts. Recent weak economic data has raised fears of slowing U.S. growth and the risk of stagflation. This report sets the stage for Friday's crucial jobs data. Overall, the average mid-yield for Nigerian Eurobonds rose by 25 bps to 9.27%.

**Outlook:** We expect the prevailing market sentiment to persist in the near term.

BENCHMARK T-BILLS DISCOUNT RATES			
	06-Mar-25	05-Mar-25	Change in Rates
91 DAYS	16.77%	18.44%	↓ -1.67%
182 DAYS	16.82%	17.99%	↓ -1.17%
322 DAYS	17.51%	17.90%	↓ -0.39%

Source: FMDQ DQL for 06-Mar-2025

BENCHMARK FGN BOND YIELDS			
	06-Mar-25	05-Mar-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	18.75%	18.75%	→ 0.00%
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 06-Mar-2025

NFEM (\$/₦)		Diff.
6-Mar-25	1,512.3000	
5-Mar-25	1,500.8000	↑ 11.5000

Source: FMDQ

SYS. LIQ. (₦BN)		Diff.
6-Mar-25	1,516.79	
5-Mar-25	807.98	↑ 708.82

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	24.51
AIICO BALANCED FUND	5.02
AIICO EUROBOND FUND	6.94

As of March 05, 2025

BENCHMARK FGN EUROBOND YIELDS			
	06-Mar-25	05-Mar-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	8.75%	8.45%	↑ 0.30%
10 YRS: NGERIA 7.375% 09/29/31	9.64%	9.38%	↑ 0.26%
15 YRS: NGERIA 7.696% 23/02/31	9.99%	9.82%	↑ 0.17%
30 YRS: NGERIA 8.25% 09/29/51	10.21%	10.04%	↑ 0.17%
8.75% ETI 06/17/31*	7.99%	8.00%	↓ -0.01%

Source: FBN UK Runs for 06-Mar-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)	38.34 (-6.20% YTD as of 05-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*69.46 (+1.00 d/d)

Source: NBS,CBN, AIICO Capital

## Nigerian Equities

The Nigerian equities market rebounded into positive territory as the All-Share Index (ASI) gained 32bps, bringing YTD returns to 3.74%. Market sentiment improved, with 35 stocks advancing against 15 decliners. TRANSCORP (+9.98%) led the gainers, while MRS, SUNUASSUR, and REDSTAREX (-10%) topped the losers. GTCO dominated trading activity, leading both the volume (49.95m units) and value (N2.91b) charts. Sectoral performance was mostly positive. The NGX Banking Index rose 83bps, driven by gains in FCMB (+3.68%), UBA (+2.78%), and FIDELITYBK (+2.03%), though STANBIC (-6.25%) dragged. The NGX Consumer Index gained 78bps, buoyed by GUINNESS (+7.97%) and DANGSUGAR (+4.35%), while NB (-1.25%) dipped. The Oil & Gas Index declined 9bps due to MRS (-10%), whereas the Industrial Index edged up 1bp on CUTIX (+3.78%). Despite a 9.94% drop in value traded to \$6.73m, tier-1 banks dominated transactions, accounting for 62.63% of market trades. Notable crosses included 20m GTCO at N58.00 and 10m ACCESSCORP at N23.50.

**Outlook:** We anticipate the market will maintain its positive tone tomorrow.

## Foreign Exchange

The Naira faced pressure in the Nigerian Foreign Exchange Market (NFEM) today due to increased demand from certain offshore investors. Trading fluctuated between \$/₦1,505.00 and \$/₦1,520.00. As a result, the Naira depreciated by 77 bps, closing at \$/₦1,512.30.

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

## Commodities

Oil prices ended Thursday with little change after a volatile session, as Brent crude closed below \$70 per barrel, weighed down by ongoing tariff tensions involving the U.S., Canada, and China, along with OPEC+ plans to boost production. Brent futures edged up 16 cents (0.2%) to \$69.46 a barrel, while U.S. WTI crude rose 5 cents (0.1%) to \$66.36. Meanwhile, gold prices slipped as rising U.S. Treasury yields prompted profit-taking. Investors focused on Friday's payroll data for potential clues on the Federal Reserve's next policy move. Spot gold dipped 0.1% to \$2,915.83 an ounce, while U.S. gold futures remained steady at \$2,926.60.

**Outlook:** We expect crude oil to remain volatile due to OPEC's plans to increase production next month, growing optimism around a Russia-Ukraine peace deal, and ongoing tariff uncertainties.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
TRANSCORP	51.80	4.70	↑ 9.98%
SCOA	3.78	0.34	↑ 9.88%
AFRIPRUD	30.60	2.75	↑ 9.87%
TANTALIZER	2.37	0.21	↑ 9.72%
CAVERTON	2.76	0.24	↑ 9.52%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
SUNUASSUR	4.77	-0.53	↓ -10.00%
MRS	166.50	-18.50	↓ -10.00%
REDSTAREX	5.94	-0.66	↓ -10.00%
LASACO	2.65	-0.23	↓ -7.99%
UPDC	2.62	-0.19	↓ -6.76%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.32%	↓ -0.83%	↓ -0.97%	↑ 3.74%
NSE BANKING INDEX	↑ 0.83%	↓ -3.14%	↓ -2.99%	↑ 4.28%
NSE INSURANCE INDEX	↑ 0.18%	↓ -3.68%	↓ -3.55%	↓ -3.78%
NSE INDUSTRIAL GOODS INDEX	↑ 0.01%	↓ -0.01%	↓ -0.01%	↑ 1.33%
NSE CONSUMER GOODS INDEX	↑ 0.78%	↓ -2.52%	↓ -2.12%	↑ 3.99%
NSE OIL & GAS INDEX	↓ -0.09%	↑ 1.64%	↓ -0.10%	↓ -5.64%

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