

DATE: Monday, 10 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity improved slightly today but remained in negative territory due to last Friday's CRR activity. However, interbank rates edged higher, with the Overnight Policy Rate (OPR) rising by 4.82% to 31.90% and the Overnight Rate (O/N) increasing by 4.83% to 32.50%.

Outlook: Interbank rates are expected to stay elevated in the absence of significant inflows.

Treasury Bills

The Treasury Bills market experienced a quiet session, with some interest around the mid-to-long tenors as investors sought attractive levels while others exited positions, pushing yields higher. Limited trades were executed, with most activity on the 22 Jan 2026 and 5 Mar 2026 papers. Overall, the average mid-rate for benchmark NTB papers rose by 61 bps to 18.57%.

Outlook: We expect the market to remain cautious in tomorrow's session.

FGN Bonds

The local bonds market faced selling pressure, particularly around the mid-tenors, as demand remained weak, leading to a liquidity squeeze and subdued trading volumes. Only a few trades were executed, primarily on the February 2031s and May 2033s. Overall, the average mid-yield rose by 22 bps to 18.29%.

Outlook: We expect the market will remain mixed to bearish.

Eurobonds

The Eurobond market experienced a broad sell-off today across Sub-Saharan African (SSA) and North African papers, extending recent losses driven by investor worries over the economic impact of President Donald Trump's policies. Overall, the average mid-yield for Nigerian Eurobonds increased by 10 bps to 9.33%.

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

| BENCHMARK T-BILLS DISCOUNT RATES | | | |
|----------------------------------|-----------|-----------|-----------------|
| | 10-Mar-25 | 07-Mar-25 | Change in Rates |
| 87 DAYS | 16.77% | 16.77% | → 0.00% |
| 178 DAYS | 16.82% | 16.82% | ↓ 0.00% |
| 346 DAYS | 17.85% | 17.85% | → 0.00% |

Source: FMDQ DQL for 10-Mar-2025

| BENCHMARK FGN BOND YIELDS | | | |
|----------------------------|-----------|-----------|-----------------|
| | 10-Mar-25 | 07-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 | 18.45% | 18.71% | ↓ -0.26% |
| 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 10-Mar-2025

| BENCHMARK FGN EUROBOND YIELDS | | | |
|---------------------------------|-----------|-----------|-----------------|
| | 10-Mar-25 | 07-Mar-25 | Change in Yield |
| 5 YRS: NIGERIA 8.375% 03/24/29 | 8.86% | 8.71% | ↑ 0.15% |
| 10 YRS: NIGERIA 7.375% 09/29/31 | 9.76% | 9.59% | ↑ 0.17% |
| 15 YRS: NIGERIA 7.696% 23/02/31 | 10.05% | 9.94% | ↑ 0.12% |
| 30 YRS: NIGERIA 8.25% 09/29/51 | 10.28% | 10.20% | ↑ 0.08% |
| 8.75% ETI 06/17/31* | 8.31% | 7.99% | ↑ 0.32% |

Source: FBN UK Runs for 10-Mar-2025

| NFEM RATE (\$/₦) | | Diff. |
|------------------|------------|-----------|
| 10-Mar-25 | 1,530.1500 | |
| 7-Mar-25 | 1,517.2448 | ↑ 12.9052 |

Source: FMDQ

| SYS. LIQ. (₦BN) | | Diff. |
|-----------------|------------|------------|
| 10-Mar-25 | (98.65) | |
| 7-Mar-25 | (1,322.20) | ↑ 1,223.56 |

Source: CBN

| NAME OF FUND | EFFECTIVE YIELD (%) |
|-------------------------|---------------------|
| AIICO MONEY MARKET FUND | 22.18 |
| AIICO BALANCED FUND | 4.98 |
| AIICO EUROBOND FUND | 7.94 |

As of March 09, 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 07-Mar-25) |
| MONETARY POLICY RATE (FEB'2025) | 27.50% |
| CASH RESERVE REQUIREMENT (CRR) | 50.00% |
| BRENT CRUDE PRICE US\$/BBL | *69.92 (-0.64 d/d) |

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market edged higher as the All-Share Index (ASI) gained 8bps, pushing YTD returns to 3.59%. Market breadth remained positive, with 32 stocks advancing against 27 decliners. ETERNA (+9.96%) led the gainers, while VFDGROUP (-9.92%) topped the losers. FIDELITYBK dominated trading volume (56.41m units), while GEREGU led in value (N9.45b). Sectoral performance was mixed. The NGX Banking Index gained 20bps, driven by FCMB (+9.89%) and ACCESSCORP (+2.31%), though ETI (-4.75%) weighed on the sector. The NGX Consumer Index rose 23bps, supported by DANGSUGAR (+8.11%), while CADBURY (-8%) dragged. The NGX Oil & Gas Index declined 44bps due to TOTAL (-4.93%) and OANDO (-3.57%), despite gains in ETERNA (+9.96%). The NGX Industrial Index dipped 18bps, pressured by CUTIX (-2.83%) and WAPCO (-1.33%). Trading activity surged as value traded spiked 81.06% to \$11.48m, driven by a significant GEREGU cross (9m units at N1,035), accounting for over half of market turnover.

Outlook: We anticipate a cautious tone tomorrow, though with a mixed sentiment.

Foreign Exchange

Dollar liquidity improved at the NFEM today, with a calmer market as many participants remained on the sidelines awaiting CBN intervention. The USD/NGN pair traded within a range of ₦1,520 – ₦1,545 for most of the session, supported by inflows from select offshore clients and local corporations. Later in the day, the CBN sold \$112.20 million at rates between ₦1,524.5 and ₦1,537. Despite this, the Naira depreciated by 85 bps, closing at ₦1,530.15.

Outlook: We anticipate the CBN will maintain support for the USD/NGN pair despite global challenges.

Commodities

Oil prices declined on Monday as uncertainty over U.S. tariffs and increased output from OPEC+ weighed on the market, though potential sanctions on Iranian oil exports limited further losses. Brent crude fell 44 cents to \$69.92 per barrel by 10:22 a.m. EDT (1522 GMT), while U.S. West Texas Intermediate crude dropped 40 cents to \$66.64. Meanwhile, gold prices edged lower as profit-taking offset safe-haven demand driven by geopolitical uncertainty, with investors also focusing on upcoming U.S. inflation data. Spot gold slipped 0.2% to \$2,904.50 an ounce at 1600 GMT after gaining 2% the previous week, while U.S. gold futures dipped 0.1% to \$2,910.90.

Outlook: This week, investors will review monthly reports from the IEA and OPEC for insights into global demand and supply trends.

| TOP 5 EQUITY ADVANCERS | | | |
|------------------------|---------|---------|----------|
| NAME (SYMBOL) | CLOSING | | |
| | PRICE | GAIN(N) | % CHANGE |
| ETERNA | 37.55 | 3.40 | ↑ 9.96% |
| TRANSCORP | 51.55 | 4.65 | ↑ 9.91% |
| FCMB | 10.00 | 0.90 | ↑ 9.89% |
| AFRIPRUD | 36.25 | 3.25 | ↑ 9.85% |
| ABCTRANS | 1.63 | 0.13 | ↑ 8.67% |

Source: NGX, AIICO Capital

| TOP 5 EQUITY DECLINERS | | | |
|------------------------|---------|---------|----------|
| NAME (SYMBOL) | CLOSING | | |
| | PRICE | LOSS(N) | % CHANGE |
| VFDGROUP | 47.20 | -5.20 | ↓ -9.92% |
| INTENEGINS | 1.78 | -0.17 | ↓ -8.72% |
| CADBURY | 23.00 | -2.00 | ↓ -8.00% |
| CORNERST | 2.92 | -0.25 | ↓ -7.89% |
| HONYFLOUR | 12.50 | -0.95 | ↓ -7.06% |

Source: NGX, AIICO Capital

| | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|----------|
| NGX ASI | ↑ 0.08% | ↓ -0.78% | ↓ -1.11% | ↑ 3.59% |
| NSE BANKING INDEX | ↑ 0.20% | ↓ -1.49% | ↓ -2.68% | ↑ 4.61% |
| NSE INSURANCE INDEX | ↓ -0.87% | ↓ -2.62% | ↓ -3.18% | ↓ -3.40% |
| NSE INDUSTRIAL GOODS INDEX | ↓ -0.18% | ↓ -0.16% | ↓ -0.18% | ↑ 1.15% |
| NSE CONSUMER GOODS INDEX | ↑ 0.23% | ↓ -0.46% | ↓ -1.49% | ↑ 4.67% |
| NSE OIL & GAS INDEX | ↓ -0.44% | ↓ -1.05% | ↓ -0.63% | ↓ -6.15% |

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