

DATE: Wednesday, 12 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity worsened today, sinking deeper into negative territory. As a result, interbank rates edged higher, with the Overnight Policy Rate (OPR) and Overnight Rate (O/N) increasing by 8 bps to 32.33% and 32.75%, respectively.

Outlook: We expect interbank rates to stay elevated, as tomorrow's NTB auction net settlement will push system liquidity further into negative territory.

Treasury Bills

The Treasury Bills market saw subdued activity as investors focused on the NTB auction, where the DMO offered ₦550 billion across 91-day, 182-day, and 364-day tenors, with ₦162.17 billion maturing. Some interest emerged on the short- to mid-dated bills, as players sought to capitalize on current levels, though matching offers were absent. At the long end, improved offers appeared but lacked corresponding bids. The session closed with limited trades executed, and the average mid-rate for benchmark NTB papers fell by 14 bps to 18.01%.

Outlook: We anticipate the auction results will influence market activity tomorrow.

FGN Bonds

The local bonds market saw a quiet session, with limited activity concentrated around the mid-segment of the curve. Improved offers emerged, particularly on the new Apr 2029s, Feb 2031s, and May 2033s, which were the day's most active bonds. However, few trades were finalized due to wide bid-offer spreads, leaving yields unchanged. By the close, the average mid-yield stood at 18.27%.

Outlook: We expect the market will maintain a mixed tone tomorrow.

Eurobonds

The Eurobond market saw mixed trading as tariff concerns fueled volatility. African bonds trimmed gains after President Trump threatened further trade escalations, heightening fears of a global trade war. Despite a brief dip in yields following softer-than-expected inflation data (CPI 2.8% vs. 2.90% est.), uncertainty around tariffs and rising price pressures kept markets on edge. With tariffs likely pushing up costs for goods, consumer resilience and economic stability face growing challenges. Nigerian Eurobonds ended with an average mid-yield of 9.27%, with Angola bonds being among the best performing on the day.

Outlook: In the near term, we anticipate the current cautious mood to continue.

BENCHMARK T-BILLS DISCOUNT RATES			
	12-Mar-25	11-Mar-25	Change in Rates
85 DAYS	16.77%	16.77%	→ 0.00%
176 DAYS	16.82%	16.82%	→ 0.00%
344 DAYS	18.05%	17.85%	↑ 0.20%

Source: FMDQ DQL for 12-Mar-2025

BENCHMARK FGN BOND YIELDS			
	12-Mar-25	11-Mar-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	18.50%	18.50%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	18.45%	18.45%	→ 0.00%
13 YRS: 15.45% 21-JUN-2038	18.12%	18.12%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	16.88%	16.74%	↑ 0.14%

Source: FMDQ DQL for 12-Mar-2025

NFEM RATE (\$/₦)		Diff.
12-Mar-25	1,538.6807	
11-Mar-25	1,536.1532	↑ 2.5275

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
12-Mar-25	(308.33)	
11-Mar-25	(171.05)	↓ (137.28)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.16
AIICO BALANCED FUND	4.68
AIICO EUROBOND FUND	6.71

As of March 11, 2025

BENCHMARK FGN EUROBOND YIELDS	12-Mar-25	11-Mar-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.79%	8.82%	↓	-0.03%
10 YRS: NGERIA 7.375% 09/29/3:	9.69%	9.71%	↓	-0.02%
15 YRS: NGERIA 7.696% 23/02/3:	10.03%	10.03%	→	0.00%
30 YRS: NGERIA 8.25% 09/29/51	10.26%	10.30%	↓	-0.04%
8.75% ETI 06/17/31*	8.52%	8.52%	→	0.00%

Source: FBN UK Runs for 12-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)	38.36 (-6.16% YTD as of 11-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*70.95 (+1.31 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed in the red as the All-Share Index (ASI) dipped by 7bps, bringing YTD returns to 3.07%. Market sentiment remained bearish, with 32 stocks declining against 19 gainers. TANTALIZER (+9.79%) led the advancers, while CONOIL (-10%) topped the laggards. SOVRENINS dominated activity with 989.73m units traded, while MTNN led in value with N2.69b. Sectoral performance was mixed. The NGX Banking Index gained 25bps, buoyed by GTCO (+2.84%) and FIDELITYBK (+0.59%), while UBA (-1.6%) and FCMB (-3.03%) dragged. The NGX Consumer Index fell 23bps on DANGSUGAR (-3%). The NGX Oil & Gas Index declined 56bps, pressured by CONOIL (-10%). The NGX Industrial Index closed flat. Value traded rose 29.57% to \$6.65m, largely driven by block trades, including 5m MTNN at N245.00 and 980m SOVRENINS between N0.99-N1.00. Market sentiment remained mixed but turned bearish towards the close.

Outlook: We expect to see mixed sentiments in the market tomorrow.

Foreign Exchange

The NFEM faced increased demand pressure today, even as the CBN sold \$59.7 million within the \$/₦1,532 – \$/₦1,540 range. Throughout the session, the USD/NGN pair traded between \$/₦1,532 and \$/₦1,550, resulting in a 16-basis-point depreciation of the Naira, which closed at ₦1,538.68.

Outlook: We expect the CBN to sustain its support for the USD/NGN pair amid global headwinds.

Commodities

Oil prices climbed 2% on Wednesday after U.S. government data revealed a tighter-than-expected decline in oil and fuel inventories. However, concerns over a potential U.S. economic slowdown and tariff-related uncertainties limited gains. Brent crude futures rose \$1.39, or 2%, to \$70.95 a barrel by 12:52 p.m. EDT (1652 GMT), while U.S. West Texas Intermediate crude gained \$1.47, or 2.2%, to \$67.72. Meanwhile, gold prices advanced as uncertainty surrounding tariffs and a softer inflation report bolstered expectations for a U.S. rate cut. Spot gold was up 0.7% at \$2,934.93 an ounce as of 1610 GMT, while U.S. gold futures also increased 0.7% to \$2,942.50.

Outlook: Trade policy uncertainties are likely to fuel market volatility, though the global economy is anticipated to adapt. Concerns persist that tariffs may drive up costs, spur inflation, and weaken consumer confidence.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
TANTALIZER	3.14	0.28	↑ 9.79%
NSLTECH	0.68	0.06	↑ 9.68%
CAVERTON	3.00	0.25	↑ 9.09%
FTNCOCOA	1.80	0.11	↑ 6.51%
JAIZBANK	3.51	0.20	↑ 6.04%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CONOIL	331.20	-36.80	↓ -10.00%
BERGER	18.85	-2.05	↓ -9.81%
INTENEGINS	1.75	-0.19	↓ -9.79%
MULTIVERSE	7.95	-0.85	↓ -9.66%
REGALINS	0.63	-0.06	↓ -8.70%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.07%	↓ -0.33%	↓ -1.61%	↑ 3.07%
NSE BANKING INDEX	↑ 0.25%	↑ 1.19%	↓ -2.64%	↑ 4.65%
NSE INSURANCE INDEX	↓ -0.22%	↑ 1.22%	↓ -2.55%	↓ -2.78%
NSE INDUSTRIAL GOODS INDEX	↓ 0.00%	↓ -0.17%	↓ -0.19%	↑ 1.15%
NSE CONSUMER GOODS INDEX	↓ -0.23%	↑ 0.92%	↓ -1.99%	↑ 4.14%
NSE OIL & GAS INDEX	↓ -0.56%	↓ -1.21%	↓ -1.22%	↓ -6.70%

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.