

DATE: Thursday, 13 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity deteriorated further today, plunging deeper into negative territory after the net NTB settlement of c. ₦516.59 billion. Consequently, interbank rates remained high, with the Overnight Policy Rate (OPR) and Overnight Rate (O/N) reaching 32.33% and 32.75%, respectively.

Outlook: We anticipate that interbank rates will remain high unless there is a substantial inflow of funds.

Treasury Bills

The Treasury Bills market started the day on a positive trend after yesterday's auction, where the DMO offered ₦550 billion but sold c. ₦678.76 billion. The stop rate for the 91-day bill stayed steady at 17.00%, while the 182-day and 364-day rates rose by 4bps (to 17.79%) and 57bps (to 18.39%), respectively. Initially, demand surged as market participants sought to cover unmet bids. However, by midday, interest declined following the release of a revised auction calendar, which announced an NTB auction scheduled for March 19, 2025, where c. ₦800 billion will be offered. This shift caused yields to rise sharply as investors began exiting positions in anticipation of higher returns at the upcoming auction. Trading activity was concentrated at the long end of the curve, with the one-year bill reaching 18.50%. By the end of the day, the average mid-rate for benchmark NTB papers settled at 18.30%.

Outlook: We anticipate a bearish trend in the short term, with increased selling activity skewed to the long end of the curve.

FGN Bonds

The local bonds market remained subdued today as investors adopted a cautious approach. While improved offers emerged in the mid-range of the curve, there were no corresponding bids. Trading activity was primarily focused on the Apr 2029, Feb 2031, and May 2033 bonds. The session concluded with only a handful of trades finalized, pushing the average mid-yield up to 18.31% by the close.

Outlook: We anticipate the market will continue to exhibit bearish sentiment, influenced by recent DMO actions.

Eurobonds

The Eurobond market saw substantial sell-offs across major markets, with the Nigerian curve particularly impacted as global risk-off sentiment and falling oil prices pressured valuations. Angola experienced minor declines, while Egypt gained some traction due to increased IMF inflows. By the end of trading, the average mid-yield for Nigerian bonds climbed by 9bps, reaching 9.37%.

Outlook: We expect the prevailing mixed to bearish sentiment to continue.

BENCHMARK T-BILLS DISCOUNT RATES			
	13-Mar-25	12-Mar-25	Change in Rates
84 DAYS	16.77%	16.77%	→ 0.00%
182 DAYS	17.46%	16.82%	↑ 0.64%
343 DAYS	18.05%	18.05%	→ 0.00%

Source: FMDQ DQL for 13-Mar-2025

BENCHMARK FGN BOND YIELDS			
	13-Mar-25	12-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	16.74%	16.88%	↓ -0.14%

Source: FMDQ DQL for 13-Mar-2025

NFEM RATE (\$/₦)			Diff.
12-Mar-25	1,538.6807		
12-Mar-25	1,538.6807	→	0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)			Diff.
13-Mar-25	(855.77)		
12-Mar-25	(308.33)	↓	(547.43)

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				
	13-Mar-25	12-Mar-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.90%	8.79%	↑	0.11%
10 YRS: NGERIA 7.375% 09/29/31	9.81%	9.69%	↑	0.12%
15 YRS: NGERIA 7.696% 23/02/31	10.11%	10.03%	↑	0.08%
30 YRS: NGERIA 8.25% 09/29/51	10.35%	10.26%	↑	0.09%
8.75% ETI 06/17/31*	8.73%	8.52%	↑	0.21%

Source: FBN UK Runs for 13-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 12-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*70.41 (-0.54 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed in positive territory as the All-Share Index (ASI) gained 12bps, bringing YTD returns to 3.2%. Market breadth was strong, with 36 gainers outpacing 20 laggards. UPDC (+9.92%) led the advancers, while UPL (-10%) topped the decliners. TANTALIZER dominated volume with 29.62m units traded, while GEREGU led in value with N7.77b. Sectoral performance was mixed. The NGX Banking Index lost 50bps, weighed down by GTCO (-1.79%) and ETI (-1.36%), despite gains in ZENITHBANK (+0.52%). The NGX Consumer Index surged 140bps, driven by INTBREW (+9.62%) and NB (+3.23%). The NGX Oil & Gas Index inched up 5bps, while the NGX Industrial Index closed flat. Value traded rose 62.34% to \$10.7m, driven by block trades, including 7.5m GEREGU at N1,035.00 and 13m GTCO at N61.00. Market sentiment remained positive, with the ASI moving in steady upward steps throughout the session.

Outlook: We anticipate a continued positive trend.

Foreign Exchange

The NFEM experienced heightened demand pressure today, despite the CBN injecting over \$164.95 million at rates between \$/₦1,543.09 and \$/₦1,556. During the session, the USD/NGN pair traded within \$/₦1,543 to \$/₦1,570.

Outlook: We anticipate the CBN will continue to provide support for the USD/NGN pair.

Commodities

Oil prices declined on Thursday as markets assessed macroeconomic risks, including concerns that tariff disputes between the U.S. and other nations could dampen global demand. Brent crude fell 54 cents, or 0.8%, to \$70.41 a barrel by 11:28 a.m. EDT (1525 GMT), while U.S. West Texas Intermediate crude dropped 63 cents, or 0.9%, to \$67.05. Meanwhile, gold surged to a record high, nearing the \$3,000-per-ounce mark, fueled by tariff uncertainty and expectations of Federal Reserve policy easing. Spot gold rose 1.6% to \$2,977.36 an ounce by 12:25 p.m. ET (1625 GMT).

Outlook: Global oil supply may surpass demand by 600,000 bpd this year, driven by U.S. supply growth. Demand is forecast to rise by 1.03 million bpd, led by Asia, particularly China, down 70,000 bpd from last month's estimate.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
UPDC	2.77	0.25	↑ 9.92%
INTBREW	5.70	0.50	↑ 9.62%
ROYALEX	0.80	0.07	↑ 9.59%
MULTIVERSE	8.65	0.70	↑ 8.81%
NGXGROUP	32.85	1.90	↑ 6.14%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
UPL	4.32	-0.48	↓ -10.00%
ACADEMY	2.62	-0.28	↓ -9.66%
REDSTAREX	5.35	-0.55	↓ -9.32%
NEIMETH	2.75	-0.25	↓ -8.33%
CILEASING	3.81	-0.19	↓ -4.75%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.12%	↓ -0.52%	↓ -1.48%	↑ 3.20%
NSE BANKING INDEX	↓ -0.50%	↓ -0.15%	↓ -3.13%	↑ 4.13%
NSE INSURANCE INDEX	↑ 0.62%	↑ 1.67%	↓ -1.94%	↓ -2.18%
NSE INDUSTRIAL GOODS INDEX	↑ 0.00%	↓ -0.18%	↓ -0.18%	↑ 1.15%
NSE CONSUMER GOODS INDEX	↑ 1.40%	↑ 1.54%	↓ -0.61%	↑ 5.60%
NSE OIL & GAS INDEX	↑ 0.05%	↓ -1.07%	↓ -1.16%	↓ -6.65%

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