

DATE: Monday, 17 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity improved slightly today, bolstered by FGN bond coupons but stayed in negative territory, keeping rates elevated. The Overnight Policy Rate (OPR) increased by 2 bps to 32.42%, while the Overnight Rate (O/N) rose by 3 bps to 32.83%.

Outlook: Despite coupon inflows of c. ₦52.7 billion expected tomorrow, we anticipate the market will remain under pressure as the amount is insufficient to ease the liquidity crunch.

Treasury Bills

The Treasury Bills market started the week with a mixed to bearish tone, with activity focused on the long end, particularly the 12 Mar 2026 paper, where a few trades were executed. Rates dipped slightly after the release of February 2025 inflation data, which showed a 130-bp decline to 23.18% year-on-year. Overall, the average mid-rate for benchmark NTB papers rose by 21 bps to 18.76%.

Outlook: We expect a cautious tone in the near term as investors remain on the sidelines ahead of Wednesday's NTB auction.

FGN Bonds

The local bonds market remained bearish, with offers concentrated around the mid-tenors. Activity was primarily focused on the February 2031s, May 2033s, and February 2034 papers. At the close, the DMO announced the March 2025 auction offering, replacing the February 2031 paper with the May 2033 paper and offering ₦200 billion on the April 2029 paper and ₦100 billion on the May 2033 paper. Overall, the average mid-yield rose by 8 bps to 18.38%.

Outlook: We anticipate the mixed to bearish tone will persist, though cautiously, as investors await Monday's FGN bond auction.

Eurobonds

The Eurobond market ended the day bearish, as risk-off sentiment dominated, and investors remained cautious. Selling pressure pushed prices lower amid broader market uncertainty, with participants staying on the sidelines for clearer signals on global risk appetite. Weaker-than-expected sales data also raised concerns about economic momentum, adding to speculation about the Federal Reserve's next interest rate move and boosting demand for safe-haven assets. By the close, the average mid-yield for Nigerian bonds rose by 3 bps to 9.48%.

Outlook: We expect the mixed to bearish tone will persist.

BENCHMARK T-BILLS DISCOUNT RATES			
	17-Mar-25	14-Mar-25	Change in Rates
80 DAYS	16.77%	16.77%	➔ 0.00%
178 DAYS	16.82%	16.82%	➔ 0.00%
339 DAYS	18.05%	18.05%	➔ 0.00%

Source: FMDQ DQL for 17-Mar-2025

BENCHMARK FGN BOND YIELDS			
	17-Mar-25	14-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%	16.74%	➔ 0.00%

Source: FMDQ DQL for 17-Mar-2025

NFEM RATE (\$/₦)		Diff.
17-Mar-25	1,528.0300	
14-Mar-25	1,517.9300	↑ 10.1000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
17-Mar-25	(700.29)	
14-Mar-25	(956.03)	↑ 255.74

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.90
AIICO BALANCED FUND	4.62
AIICO EUROBOND FUND	6.75

As of March 16, 2025

BENCHMARK FGN EUROBD2025	17-Mar-25	14-Mar-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.09%	9.05%	↑ 0.04%
10 YRS: NGERIA 7.375% 09/29/31	9.89%	9.84%	↑ 0.05%
15 YRS: NGERIA 7.696% 23/02/31	10.22%	10.20%	↑ 0.02%
30 YRS: NGERIA 8.25% 09/29/51	10.50%	10.45%	↑ 0.05%
8.75% ETI 06/17/31*	8.73%	8.73%	→ 0.00%

Source: FBN UK Runs for 17-Mar-2025

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (FEBRUARY 2025)	23.18% (Jan'25: 24.48%)
EXTERNAL RESERVE (US\$BILLION)	38.37 (-6.13% YTD as of 14-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*70.85 (+0.24 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed lower as the All-Share Index (ASI) declined by 15bps, bringing YTD returns to 2.79%. Market sentiment remained bearish, with 35 decliners outweighing 18 gainers. ACADEMY (+9.92%) led the advancers, while ETRANZACT (-10%) topped the laggards. JAIZBANK recorded the highest volume with 197.42m units traded, while MTNN led in value at N1.3b. Sectoral performance was broadly negative. The NGX Banking Index lost 20bps, pressured by declines in FIDELITYBK (-2.04%) and GTCO (-0.57%), despite a gain in STANBIC (+4.24%). The NGX Consumer Index fell 38bps due to INTBREW (-5.45%), while the NGX Oil & Gas Index declined 19bps on OANDO (-2.02%). The NGX Industrial Index closed flat. Trading activity was muted, with value traded dropping 36.25% to \$4.55m, largely driven by block trades, including 170m JAIZBANK at N3.05 and 5m MTNN at N243.00. Market sentiment remained subdued.

Outlook: We expect to see mixed market sentiments tomorrow.

Foreign Exchange

The NFEM faced strong demand pressure today despite the CBN's intervention. The USD/NGN pair traded within a range of \$/₦1,512 to \$/₦1,552, leading to a 67-bp depreciation of the Naira, which closed at \$/₦1,528.03.

Outlook: We expect the CBN to maintain its support for the USD/NGN pair.

Commodities

Oil prices rose slightly after the U.S. reaffirmed its commitment to striking Yemen's Houthis until the Iran-backed group ceases attacks on shipping. Meanwhile, positive economic data from China boosted hopes for stronger demand. President Donald Trump ordered military action against the Houthis on Saturday following their assaults on Red Sea trade routes. A U.S. official suggested the campaign could last weeks. Brent crude climbed 28 cents, or 0.4%, to \$70.85 per barrel by 11:25 a.m. ET (15:25 GMT), while U.S. West Texas Intermediate gained 22 cents, or 0.3%, to \$67.39. Gold prices remained firm, hovering just below the \$3,000 mark, with investors focused on trade tariffs and the Federal Reserve's policy meeting. Spot gold rose 0.4% to \$2,994.79 an ounce by 11:26 a.m. ET (15:26 GMT) after hitting a record \$3,004.86 on Friday.

Outlook: We expect more volatility, as OPEC+'s decision to increase oil production from April has weighed on prices. However, the potential for stricter U.S. sanctions on Iran outweighs the impact of the gradual OPEC+ output hike.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ACADEMY	2.88	0.26	↑ 9.92%
NEIMETH	2.70	0.21	↑ 8.43%
TANTALIZER	3.13	0.20	↑ 6.83%
DANGSUGAR	36.70	1.65	↑ 4.71%
STANBIC	61.50	2.50	↑ 4.24%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ETTRANZACT	5.85	-0.65	↓ -10.00%
SUNUASSUR	4.63	-0.51	↓ -9.92%
PRESTIGE	1.00	-0.09	↓ -8.26%
SOVRENINS	0.95	-0.08	↓ -7.77%
REDSTAREX	5.35	-0.45	↓ -7.76%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.15%	↓ -0.77%	↓ -1.88%	↑ 2.79%
NSE BANKING INDEX	↓ -0.20%	↓ -0.85%	↓ -3.50%	↑ 3.72%
NSE INSURANCE INDEX	↓ -1.79%	↓ -0.04%	↓ -3.22%	↓ -3.45%
NSE INDUSTRIAL GOODS INDEX	↑ 0.00%	↓ -0.03%	↓ -0.22%	↑ 1.12%
NSE CONSUMER GOODS INDEX	↓ -0.38%	↓ -0.58%	↓ -2.06%	↑ 4.06%
NSE OIL & GAS INDEX	↓ -0.19%	↓ -0.90%	↓ -1.53%	↓ -6.99%

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