

DATE: Wednesday, 19 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity worsened today due to a lack of significant inflows, keeping rates elevated. The Overnight Policy Rate (OPR) and Overnight Rate (O/N) closed at 32.40% and 32.90%, respectively.

Outlook: Given current liquidity levels and the added funding pressure from the NTB auction settlement, we expect rates to stay elevated tomorrow.

Treasury Bills

The Treasury Bills market saw subdued activity as investors focused on the NTB auction, where the DMO offered ₦800 billion across 91-day, 182-day, and 364-day tenors. Some offers emerged as players exited positions ahead of the auction, but bids were limited, resulting in few trades. Overall, the average mid-rate for benchmark NTB papers rose by 7 basis points to 18.77%.

Outlook: We anticipate the auction outcome will shape market activity in the coming sessions.

FGN Bonds

The local bond market saw limited activity, with some interest around the mid-tenors. Offers were noted on the April 2029s, February 2031s, and May 2033s, but few trades were executed due to wide bid-ask spreads. Overall, the average mid-yield rose by 11 bps to 18.53%.

Outlook: We expect a cautious mood tomorrow as investors take varying positions ahead of next Monday's FGN bond auction.

Eurobonds

The Eurobond market showed mixed performance as investors focused on the upcoming Federal Reserve policy announcement, with markets largely expecting a rate pause. Traders are closely watching the Fed's guidance for clues on future monetary policy shifts, particularly in response to inflation trends and economic data. Meanwhile, the Bank of Angola maintained its key interest rate at 19.50% despite slowing inflation and external pressures. However, Angola Eurobonds declined at both the mid and long tenors. Overall, the average mid-yield for Nigerian bonds closed at 9.40%.

Outlook: We anticipate the Federal Reserve's forward guidance will shape future market activity.

BENCHMARK T-BILLS DISCOUNT RATES			
	19-Mar-25	18-Mar-25	Change in Rates
78 DAYS	16.77%	16.77%	→ 0.00%
176 DAYS	16.82%	16.82%	→ 0.00%
337 DAYS	18.05%	18.05%	→ 0.00%

Source: FMDQ DQL for 19-Mar-2025

BENCHMARK FGN BOND YIELDS			
	19-Mar-25	18-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 19-Mar-2025

BENCHMARK FGN EUROBOND YIELDS			
	19-Mar-25	18-Mar-25	Change in Yield
5 YRS: NIGERIA 8.375% 03/24/29	8.98%	8.98%	↑ 0.00%
10 YRS: NIGERIA 7.375% 09/29/3/	9.77%	9.79%	↓ -0.02%
15 YRS: NIGERIA 7.696% 23/02/3/	10.10%	10.12%	↓ -0.02%
30 YRS: NIGERIA 8.25% 09/29/51	10.38%	10.41%	↓ -0.03%
8.75% ETI 06/17/31*	8.41%	8.51%	↓ -0.10%

Source: FBN UK Runs for 19-Mar-2025

NFEM RATE (\$/₦)		Diff.
19-Mar-25	1,530.5200	
18-Mar-25	1,532.9300	↓ (2.4100)

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
19-Mar-25	(1,674.03)	
18-Mar-25	(1,432.98)	↓ (241.06)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.63
AIICO BALANCED FUND	4.58
AIICO EUROBOND FUND	6.75

As of March 18, 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 18-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*70.98 (-0.34 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market sustained its bearish trend as the All-Share Index (ASI) declined by 44bps, bringing YTD gains to 1.93%. Market breadth remained negative, with 13 stocks advancing while 37 declined. JBERGER (+8.47%) led the gainers, while LIVESTOCK (-10%) topped the laggards. SOVRENINS dominated the volume chart with 1.01 billion units traded, while TRANSPOWER led in value at N3.42 billion. Across sectors, the NGX Banking Index fell 136bps, weighed down by FCMB (-6.15%) and ACCESSCORP (-3.45%), while FIDELITYBK (+1.19%) and WEMABANK (+2.43%) posted gains. The NGX Consumer Index lost 11bps as CHAMPION (-4.94%) and INTBREW (-2.86%) declined, while NB (+1.56%) and UNILEVER (+2.12%) advanced. The NGX Oil & Gas Index slumped 132bps due to MRS (-8.99%) and OANDO (-4.55%). Trading activity rose, with value traded increasing by 50.52% to \$8.01m, driven by block trades in MTNN, NB, and FIDELITYBK. Market sentiment remained weak.

Outlook: We expect a similar tone to prevail in tomorrow's session.

Foreign Exchange

The NFEM faced strong demand pressure today, but CBN's intervention helped stabilize the Naira, with \$38.65 million sold at rates between \$/₦1,500.00 and \$/₦1,525.00. The USD/NGN pair traded within a range of \$/₦1,500.00 to \$/₦1,545.00, resulting in a 16-bp appreciation of the Naira, which closed at \$/₦1,530.52.

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

Commodities

Oil prices inched higher on Wednesday after U.S. government data revealed a decline in fuel inventories, while investors monitored developments surrounding a limited ceasefire in Ukraine. Brent crude futures climbed 42 cents, or 0.6%, to \$70.98 per barrel by 1:40 p.m. EDT (17:40 GMT), while U.S. West Texas Intermediate (WTI) crude increased 43 cents, or 0.64%, to \$67.33. Meanwhile, gold prices remained steady after reaching a record high earlier in the day, as safe-haven demand persisted. Investors awaited the U.S. Federal Reserve's upcoming interest rate decision, which could influence future market trends. Spot gold was unchanged at \$3,034.12 per ounce as of 12:04 p.m. ET (16:04 GMT).

Outlook: Oil markets continue to prioritize downside price risks, even as tensions in the Middle East escalate.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
JBERGER	137.00	10.70	↑ 8.47%
OMATEK	0.69	0.04	↑ 6.15%
UPDC	3.05	0.08	↑ 2.69%
WEMABANK	10.55	0.25	↑ 2.43%
UNILEVER	38.50	0.80	↑ 2.12%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
LIVESTOCK	8.46	-10.00	↓ -10.00%
ETRANZACT	5.30	3.32	↓ -9.40%
WAPIC	2.35	0.68	↓ -9.27%
MRS	162.00	10.75	↓ -8.99%
MAYBAKER	8.00	0.67	↓ -8.05%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.44%	↓ -1.11%	↓ -2.70%	↑ 1.93%
NSE BANKING INDEX	↓ -1.36%	↓ -2.92%	↓ -5.48%	↑ 1.60%
NSE INSURANCE INDEX	↓ -1.84%	↓ -1.42%	↓ -3.94%	↓ -4.17%
NSE INDUSTRIAL GOODS INDEX	→ 0.00%	↓ -3.42%	↓ -3.60%	↓ -2.31%
NSE CONSUMER GOODS INDEX	↓ -0.11%	↓ -0.01%	↓ -2.00%	↑ 4.13%
NSE OIL & GAS INDEX	↓ -1.32%	↓ -1.69%	↓ -2.89%	↓ -8.28%

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