

DATE: Thursday, 20 March 2025

## MARKET COMMENTARY

### System Liquidity

Interbank liquidity deteriorated further today, even with FGN coupon inflows of c.₦254.8 billion, as the NTB auction settlement drained liquidity from the system. This kept interbank rates elevated, with the Overnight Policy Rate (OPR) and Overnight Rate (O/N) ending at 32.40% and 32.90%, respectively.

**Outlook:** With current liquidity levels and no significant inflows expected, we anticipate rates will remain elevated tomorrow.

### Treasury Bills

The Treasury Bills market saw active trading after the NTB primary auction results were released, showing higher stop rates across all tenors. The auction offered ₦800 billion, with subscriptions reaching ₦902.044 billion and allotments totaling ₦503.919 billion. Stop rates settled at 18.00%, 18.50%, and 19.94% for the 91-day, 182-day, and 364-day papers, up from previous rates of 17.00%, 17.79%, and 18.39%. However, these tenors began trading below the auction levels. Overall, the average mid-rate for benchmark NTB papers increased by 17 bps to 18.95%.

**Outlook:** We anticipate a mixed to bullish tone in the near term, as investors selectively target attractive opportunities.

### FGN Bonds

The local bond market stayed subdued as investors adopted a cautious approach ahead of next week's FGN bond auction. Some interest was noted in the February 2031s, April 2032s, May 2033s, and February 2034s papers, with participants selectively targeting bonds. However, trading volumes remained low, with only a few transactions executed. Overall, the average mid-yield closed at 18.53%.

**Outlook:** We anticipate a cautious tone tomorrow as investors adjust their positions in preparation for next Monday's FGN bond auction.

### Eurobonds

The Eurobond market rallied today following the US FOMC meeting, where the Fed maintained its key rate at 4.50%. The bullish sentiment was fueled by Fed Chair Powell's indication that rate cuts remain possible this year, with recession risks deemed low and tariff-driven inflation seen as temporary. Sub-Saharan African (SSA) and North African papers saw strong buying interest for most of the session, though some profit-taking emerged later. Overall, the average mid-yield for Nigerian bonds fell by 7 bps to 9.32%.

**Outlook:** We anticipate the current sentiment will continue into tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	20-Mar-25	19-Mar-25	Change in Rates
77 DAYS	16.77%	16.77%	→ 0.00%
175 DAYS	17.46%	17.46%	→ 0.00%
336 DAYS	18.05%	18.05%	→ 0.00%

Source: FMDQ DQL for 20-Mar-2025

BENCHMARK FGN BOND YIELDS			
	20-Mar-25	19-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 20-Mar-2025

NFEM RATE (\$/₦)		Diff.
20-Mar-25	1,530.6200	
19-Mar-25	1,530.5200	↑ 0.1000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
20-Mar-25	(1,838.69)	
19-Mar-25	(1,674.03)	↓ (164.66)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.54
AIICO BALANCED FUND	4.64
AIICO EUROBOND FUND	7.00

As of March 19, 2025

BENCHMARK FGN EUROBOOND YIELDS				
	20-Mar-25	19-Mar-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.87%	8.98%	↓	-0.11%
10 YRS: NGERIA 7.375% 09/29/3	9.72%	9.77%	↓	-0.05%
15 YRS: NGERIA 7.696% 23/02/3	10.00%	10.10%	↓	-0.10%
30 YRS: NGERIA 8.25% 09/29/51	10.31%	10.38%	↓	-0.07%
8.75% ETI 06/17/31*	8.51%	8.41%	↑	0.10%

Source: FBN UK Runs for 20-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)	38.36 (-6.16% YTD as of 19-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.00 (+1.02 d/d)

Source: NBS,CBN, AIICO Capital

## Nigerian Equities

The Nigerian equities market closed slightly lower as the All-Share Index (ASI) dipped 5bps, bringing YTD returns to 1.88%. Market breadth remained negative, with 14 gainers and 28 losers. CWG (+9.64%) led the advancers, while LIVESTOCK (-9.57%) topped the decliners. FIDELITYBK recorded the highest volume at 40.03 million shares, while ZENITHBANK led in value with N1.07 billion traded. Sectoral performance was mixed. The NGX Banking Index declined 43bps due to losses in ACCESSCORP (-1.79%) and ZENITHBANK (-1.37%), while UBA (+1.16%) and WEMABANK (+2.37%) advanced. The NGX Consumer Index gained 39bps, driven by NB (+2%) and INTBREW (+1.96%). The Oil & Gas and Industrial indices closed flat. Trading activity was subdued, with value traded declining 49.51% to \$4.05m. Market action was driven by block trades, including 2.2m MTNN at N234.00 and 5m NB at N32.00. Overall, sentiment remained cautious.

**Outlook:** We anticipate a similar sentiment will continue in tomorrow's session.

## Foreign Exchange

The NFEM experienced relative stability today, supported by improved dollar supply, as the CBN sold \$92.1 million at rates between \$/₦1,526.17 and \$/₦1,535. The USD/NGN pair fluctuated within a range of \$/₦1,526.17 to \$/₦1,545.00, ultimately closing at \$/₦1,530.62.

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

## Commodities

Oil prices climbed on Thursday as renewed tensions in the Middle East and fresh U.S. sanctions on Iran offset the impact of a stronger dollar. Brent crude futures gained \$1.22, or 1.72%, to settle at \$72 per barrel. Meanwhile, the U.S. West Texas Intermediate (WTI) crude contract for April, which expired on Thursday, rose \$1.10, or 1.64%, to close at \$68.26. Gold prices retreated after reaching a record high earlier in the session, though they remained supported by expectations of Federal Reserve rate cuts and ongoing geopolitical uncertainty. Spot gold dipped 0.3% to \$3,038.79 per ounce by 11:38 a.m. EDT (15:38 GMT) following profit-taking, after touching an all-time high of \$3,057.21.

**Outlook:** Amid ongoing uncertainty, the risk of sanctions is resurfacing as the Trump administration takes a firmer approach toward Venezuela, Iran, and Russia.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
CWG	9.10	0.80	↑ 9.64%
VERITASKAP	1.16	0.09	↑ 8.41%
DEAPCAP	0.99	0.07	↑ 7.61%
WAPIC	2.45	0.10	↑ 4.26%
WEMABANK	10.80	0.25	↑ 2.37%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
LIVESTOCK	7.65	-10.00	↓ -9.57%
ROYALEX	0.78	3.32	↓ -8.24%
CUSTODIAN	20.00	0.68	↓ -6.98%
UPDC	2.86	10.75	↓ -6.23%
CHAMS	2.02	0.67	↓ -5.16%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.05%	↓ -1.28%	↓ -2.75%	↑ 1.88%
NSE BANKING INDEX	↓ -0.43%	↓ -2.85%	↓ -5.89%	↑ 1.15%
NSE INSURANCE INDEX	↑ 0.13%	↓ -1.90%	↓ -3.81%	↓ -4.04%
NSE INDUSTRIAL GOODS INDEX	↓ 0.00%	↓ -3.42%	↓ -3.60%	↓ -2.31%
NSE CONSUMER GOODS INDEX	↑ 0.39%	↓ -1.01%	↓ -1.61%	↑ 4.54%
NSE OIL & GAS INDEX	→ 0.00%	↓ -1.75%	↓ -2.89%	↓ -8.28%

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