

DATE: Monday, 24 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity saw some improvement today but stayed in negative territory, even with inflows from FAAC disbursements, FGN bond maturities (~₦562 billion), and coupon payments (~₦38 billion). Despite these inflows, the Overnight Policy Rate (OPR) and Overnight Rate (O/N) remained high, closing at 32.42% and 32.83%, respectively.

Outlook: Despite the expected additional FAAC disbursements, interbank rates are likely to hold steady tomorrow as liquidity pressures persist.

Treasury Bills

The Treasury Bills market started quietly, with weak demand as buyers remained cautious. Most selling activity focused on the long end, particularly the new 1-year bill, while limited interest in the 18-Sep NTB led to a few matched trades. Overall, the benchmark NTB average mid-rate closed at 18.91%.

Outlook: We expect a mixed market sentiment in the coming sessions, with investors focusing on selectively pursuing value-driven positions.

FGN Bonds

The local bonds market opened the week quietly as attention remained fixed on the FGN bond auction. Limited sell-side activity emerged at the mid-tenors, but the lack of matching bids kept trading volumes low. The session ended with the average mid-yield settling at 18.55%.

Outlook: The auction outcome will likely shape the market's direction moving forward.

Eurobonds

Emerging market debt, particularly Nigerian Eurobonds, opened the week with strong gains as investors reallocated capital ahead of April's tariff changes. The shift from developed markets to higher-yielding SSA assets gained momentum amid global risk-off sentiment, with investors seeking diversification and better returns. Meanwhile, the S&P Global US Composite PMI rose to 53.5 in March 2025 (from 51.6 in February), reflecting accelerated business expansion led by services and manufacturing. Nigerian bonds benefited from this improved risk appetite, with average yields dropping 10bps to 9.39%.

Outlook: Tomorrow's session is likely to maintain the current market tone.

BENCHMARK T-BILLS DISCOUNT RATES			
	24-Mar-25	21-Mar-25	Change in Rates
94 DAYS	16.78%	16.78%	→ 0.00%
185 DAYS	17.27%	17.27%	→ 0.00%
332 DAYS	18.05%	18.05%	→ 0.00%

Source: FMDQ DQL for 24-Mar-2025

BENCHMARK FGN BOND YIELDS			
	24-Mar-25	21-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	18.80%	18.80%	→ 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 24-Mar-2025

BENCHMARK FGN EUROBOND YIELDS			
	24-Mar-25	21-Mar-25	Change in Yield
5 YRS: NIGERIA 8.375% 03/24/29	8.94%	9.06%	↓ -0.12%
10 YRS: NIGERIA 7.375% 09/29/31	9.79%	9.89%	↓ -0.10%
15 YRS: NIGERIA 7.696% 23/02/31	10.04%	10.18%	↓ -0.14%
30 YRS: NIGERIA 8.25% 09/29/51	10.43%	10.50%	↓ -0.07%
8.75% ETI 06/17/31*	8.73%	8.62%	↑ 0.11%

Source: FBN UK Runs for 24-Mar-2025

NFEM RATE (\$/₦)		Diff.
24-Mar-25	1,531.1900	
21-Mar-25	1,536.8900	↓ (5.7000)

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
24-Mar-25	(923.56)	
21-Mar-25	(1,964.91)	↑ 1,041.35

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.67
AIICO BALANCED FUND	4.77
AIICO EUROBOND FUND	7.02

As of March 23, 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)	38.33 (-6.22% YTD as of 21-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*72.86 (+0.78 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed on a positive note, with the All-Share Index (ASI) gaining 56bps, bringing YTD returns to 2.55%. Market breadth was slightly positive, with 25 gainers against 22 losers. ROYALEX (+10%) led the advancers, while NEM (-9.63%) topped the laggards. ZENITHBANK dominated both volume and value charts, trading 55.06 million shares worth ₦2.61 billion. Sectoral performance was mixed. The NGX Banking Index surged 378bps, driven by gains in GTCO (+6.53%), FCMB (+5.56%), and ZENITHBANK (+5.04%). The Consumer Index gained 7bps on HONYFLOUR (+6.67%), while the Oil & Gas Index rose 39bps, supported by OANDO (+3.92%). The Industrial Index dipped marginally, losing 1bp on CUTIX (-4.96%). Market activity slowed, with value traded dropping 26.12% to \$6.81m. UBA's dividend announcement sparked early interest in banking stocks, but the bullish trend eased after the first 90 minutes, leaving the index largely stable.

Outlook: We anticipate the current market sentiment will carry over into tomorrow's session.

Foreign Exchange

The NFEM remained relatively stable today, bolstered by improved dollar supply, as the CBN sold \$41.6 million at rates between \$/₦1,527.50 and \$/₦1,531. The USD/NGN pair traded within a range of \$/₦1,527.50 to \$/₦1,537.00, eventually closing at \$/₦1,531.19.

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

Commodities

Oil prices rose 1% on Monday after U.S. President Donald Trump announced a 25% tariff on countries purchasing oil and gas from Venezuela, alongside fresh U.S. sanctions on Iranian exports. However, gains were limited by reports that OPEC+ plans to proceed with its May production increase and ongoing talks to end the Ukraine war, which could boost Russian crude supply. Brent crude climbed 70 cents, or 1%, to \$72.86 per barrel by 11:11 a.m. ET (15:11 GMT), while WTI gained 73 cents, or 1.05%, to \$69. Meanwhile, gold prices declined as a stronger dollar and Trump's cautious trade stance pressured the market. Spot gold fell 0.4% to \$3,010.33 an ounce.

Outlook: OPEC+ will likely proceed with May's planned oil output hike, maintaining steady prices while requiring some members to cut production to offset past overages.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ROYALEX	0.88	0.08	↑ 10.00%
LIVESTOCK	9.24	0.83	↑ 9.87%
ABBEYBDS	3.95	0.35	↑ 9.72%
UNIVINSURE	0.57	0.05	↑ 9.62%
SUNUASSUR	5.45	0.46	↑ 9.22%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
NEM	12.20	-10.00	↓ -9.63%
UCAP	12.20	3.32	↓ -9.29%
CWG	8.40	0.68	↓ -6.67%
DAARCOMM	0.62	10.75	↓ -6.06%
AFRIPRUD	15.30	0.67	↓ -5.56%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.56%	↓ -0.23%	↓ -2.11%	↑ 2.55%
NSE BANKING INDEX	↑ 3.78%	↑ 1.34%	↓ -2.21%	↑ 5.11%
NSE INSURANCE INDEX	↓ -1.49%	↓ -2.58%	↓ -5.71%	↓ -5.93%
NSE INDUSTRIAL GOODS INDEX	↓ -0.01%	↓ -3.40%	↓ -3.61%	↓ -2.32%
NSE CONSUMER GOODS INDEX	↑ 0.07%	↑ 0.51%	↓ -1.56%	↑ 4.59%
NSE OIL & GAS INDEX	↑ 0.39%	↓ -0.51%	↓ -2.03%	↓ -7.46%

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