

DATE: Wednesday, 26 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity deteriorated further today as the FGN bond auction settlement drained c.₦271 billion from the system. This pushed rates higher, with the Overnight Policy Rate (OPR) rising 492bps to 32.42% and the Overnight Rate (O/N) climbing 450bps to 32.83%.

Outlook: Interbank rates are likely to ease as the market settles ₦808.73 billion in NTB auction winnings, with c.₦1.18 trillion maturing.

Treasury Bills

The Treasury Bills market saw subdued activity as attention turned to the NTB auction. The CBN sold ₦808.73 billion (versus ₦700 billion offered), with ₦1.43 trillion in subscriptions. Stop rates held steady at 18.00% (91-day) and 18.50% (182-day), while the 364-day rate fell 31bps to 19.63%. The benchmark NTB mid-rate closed at 18.96%.

Outlook: Tomorrow's session is likely to show a mixed-to-positive trend, with some investors covering missed bids while others take profits on their auction winnings.

FGN Bonds

The local bonds market showed limited activity, with modest interest in mid-tenor papers (Feb 2031, May 2033) and sideways movement on long-dated bonds (Jun 2053). The average mid-yield edged up 3bps to close at 18.45%.

Outlook: Market sentiment is expected to remain mixed as investors continue to selectively target value opportunities in the near term.

Eurobonds

The SSA and North African Eurobonds closed weaker as risk-off sentiment and global rate concerns dampened demand, pushing yields higher across the curve. The selloff coincided with tech sector declines that snapped a three-day rebound, as trade war fears resurfaced ahead of President Trump's expected auto tariff announcement. Nigerian bonds underperformed, with average yields rising 7bps to 9.43%.

Outlook: The market will face persistent pressure through year-end from tariff impacts and softening economic indicators.

BENCHMARK T-BILLS DISCOUNT RATES			
	26-Mar-25	25-Mar-25	Change in Rates
92 DAYS	16.78%	16.78%	→ 0.00%
183 DAYS	17.27%	17.27%	→ 0.00%
330 DAYS	18.05%	18.05%	→ 0.00%

Source: FMDQ DQL for 26-Mar-2025

BENCHMARK FGN BOND YIELDS			
	26-Mar-25	25-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	18.36%	18.36%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.00%	17.00%	→ 0.00%

Source: FMDQ DQL for 26-Mar-2025

BENCHMARK FGN EUROBOND YIELDS			
	26-Mar-25	25-Mar-25	Change in Yield
5 YRS: NIGERIA 8.375% 03/24/29	8.98%	8.91%	↑ 0.07%
10 YRS: NIGERIA 7.375% 09/29/31	9.84%	9.77%	↑ 0.07%
15 YRS: NIGERIA 7.696% 23/02/31	10.12%	10.02%	↑ 0.10%
30 YRS: NIGERIA 8.25% 09/29/51	10.48%	10.40%	↑ 0.08%
8.75% ETI 06/17/31*	8.73%	8.73%	→ 0.00%

Source: FBN UK Runs for 26-Mar-2025

NFEM RATE (\$/₦)		Diff.
26-Mar-25	1,537.6200	
25-Mar-25	1,532.3900	↑ 5.2300

Source: FMDQ

SYS. LIQ. (₦BN)		Diff.
26-Mar-25	(354.51)	
25-Mar-25	(56.83)	↓ (297.68)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.46
AIICO BALANCED FUND	4.94
AIICO EUROBOND FUND	7.24

As of March 24, 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)	38.32 (-6.27% YTD as of 25-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.84 (+0.38 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed lower as the All-Share Index (ASI) declined by 11bps, trimming YTD returns to 2.48%. Market breadth remained positive, with 31 stocks advancing against 18 decliners. MBENEFIT (+10%) led the gainers, while UHOMREIT (-9.93%) topped the losers. WAPCO dominated both the volume and value charts with 4.47 billion shares traded at N330.15 billion, primarily due to a restructuring within the Holcim Group. Sectoral performance was mixed. The NGX Banking Index gained 13bps, driven by GTCO (+1.99%) and FIDELITYBK (+0.52%), while ZENITHBANK (-1.11%) and FCMB (-2.01%) dragged. The Consumer Index rose 35bps on NESTLE (+2.56%), while CHAMPION (-5%) weighed on the sector. The Oil & Gas Index gained 3bps on ETERNA (+3.91%), while the Industrial Index closed flat. Value traded surged 2,172.65% to \$222.77m, led by the WAPCO cross. Banking stocks remained the focal point, with notable transactions in GTCO, FIDELITYBK, and SEPLAT.

Outlook: We expect mixed sentiments in the interim, with additional financial results anticipated to be released soon.

Foreign Exchange

The NFEM remained stable today, with the USD/NGN pair fluctuating between \$/₦1,528.00 and \$/₦1,541.00 before settling at \$/₦1,537.62.

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

Commodities

Oil prices climbed on Wednesday, supported by a drop in U.S. crude and fuel inventories and concerns over tighter global supply following U.S. tariff threats on nations purchasing Venezuelan oil. Brent crude rose 82 cents, or 1.12%, to \$73.84 per barrel by 12:11 p.m. ET (1611 GMT), the highest since February 27. WTI crude gained 82 cents, or 1.19%, to \$69.82. Meanwhile, gold prices dipped as the dollar and U.S. bond yields strengthened, though uncertainty over new tariffs from the Trump administration kept prices above \$3,000. Spot gold fell 0.1% to \$3,015.50 an ounce, while U.S. gold futures dropped 0.1% to \$3,022.10.

Outlook: OPEC+ appears to be increasing output to counter potential U.S. sanctions on Iran, aiming to replace up to 1.5 million bpd of lost exports while maintaining price stability in global markets.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
MBENEFIT	0.88	0.08	↑ 10.00%
ROYALEX	0.89	0.08	↑ 9.88%
NEM	13.40	1.20	↑ 9.84%
LASACO	2.75	0.24	↑ 9.56%
ETRANZACT	5.75	0.50	↑ 9.52%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ABCTRANS	1.38	-0.15	↓ -9.80%
UNIVINSURE	0.55	-0.05	↓ -8.33%
DAARCOMM	0.58	-0.04	↓ -6.45%
CHAMPION	3.80	-0.20	↓ -5.00%
AFRIPRUD	14.50	-0.60	↓ -3.97%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.11%	↑ 0.53%	↓ -2.18%	↑ 2.48%
NSE BANKING INDEX	↑ 0.13%	↑ 4.96%	↓ -0.79%	↑ 6.64%
NSE INSURANCE INDEX	↑ 2.64%	↑ 2.74%	↓ -1.31%	↓ -1.54%
NSE INDUSTRIAL GOODS INDEX	↓ 0.00%	↓ 0.00%	↓ -3.60%	↓ -2.31%
NSE CONSUMER GOODS INDEX	↑ 0.35%	↑ 0.70%	↓ -1.31%	↑ 4.85%
NSE OIL & GAS INDEX	↑ 0.03%	↓ -0.79%	↓ -3.66%	↓ -9.01%

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