

DATE: Thursday, 27 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity surged into positive territory today, boosted by FGN bond coupon payments (₦164 billion) and NTB maturities (₦1.18 trillion), outweighing the ₦808.73 billion NTB auction settlement. This drove a sharp decline in rates: the Overnight Policy Rate (OPR) fell 582bps to 26.60%, while the Overnight Rate (O/N) dropped 573bps to 27.10%.

Outlook: Interbank rates are likely to remain at current levels, barring any unexpected debit to the system.

Treasury Bills

The Treasury Bills market saw few activity following yesterday's NTB auction, with most activity concentrated on the newly issued 1-year NTB (26 Mar 2026). Profit-taking dominated as participants looked to capitalize on recent gains, pushing the average benchmark NTB mid-rate up 9bps to 19.07%.

Outlook: Tomorrow's session is likely to see mixed trading, with limited activity concentrated on long-dated instruments.

FGN Bonds

The local bonds market showed a mixed-to-bearish tone, with selling pressure concentrated on mid-tenors (Feb 2031, May 2033) and long-dated papers (Jun 2053). Trading volumes remained light, though the May 2033 paper saw modest activity. Separately, Nigeria announced plans to issue up to ₦300 billion in Sukuk bonds for infrastructure projects. The session closed with an average mid-yield of 18.45%.

Outlook: Investors' ongoing evaluation of yield prospects should maintain a mixed market tone.

Eurobonds

African Eurobonds extended their bearish run, though at a moderated pace, as fresh US auto tariffs (25%) and threats of wider trade conflicts overshadowed positive US economic data. While Q4 2024 GDP growth was revised up to 2.4% (from 2.3%) with cooling inflation, and housing/labor markets showed resilience, President Trump's trade escalation with the EU/Canada kept risk appetite subdued. Consequently, Nigerian Eurobond yields climbed 6bps to 9.49% on trade war escalation fears.

Outlook: Tariff effects and weakening economic data are likely to weigh on markets for a long time.

BENCHMARK T-BILLS DISCOUNT RATES			
	27-Mar-25	26-Mar-25	Change in Rates
91 DAYS	17.04%	16.78%	↑ 0.26%
182 DAYS	18.14%	17.27%	↑ 0.87%
329 DAYS	18.05%	18.05%	→ 0.00%

Source: FMDQ DQL for 27-Mar-2025

BENCHMARK FGN BOND YIELDS			
	27-Mar-25	26-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 27-Mar-2025

BENCHMARK FGN EUROBOND YIELDS			
	27-Mar-25	26-Mar-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.02%	8.98%	↑ 0.04%
10 YRS: NGERIA 7.375% 09/29/31	9.92%	9.84%	↑ 0.08%
15 YRS: NGERIA 7.696% 23/02/31	10.16%	10.12%	↑ 0.04%
30 YRS: NGERIA 8.25% 09/29/51	10.50%	10.48%	↑ 0.02%
8.75% ETI 06/17/31*	8.95%	8.73%	↑ 0.22%

Source: FBN UK Runs for 27-Mar-2025

NFEM RATE (\$/₦)		Diff.
27-Mar-25	1,538.6600	
26-Mar-25	1,537.6200	↑ 1.0400

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
27-Mar-25	511.53	
26-Mar-25	(354.51)	↑ 866.04

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	22.52
AIICO BALANCED FUND	4.99
AIICO EUROBOND FUND	7.04

As of March 26, 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 (-6.25% YTD as of 26-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*73.88 (+0.04 d/d)

Source: NBS, CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed lower as the ASI dipped by 5bps, bringing YTD gains to 2.43%. Market breadth tilted negative, with 22 gainers and 28 decliners. TIP (+9.85%) led the advancers, while JOHNHOLT (-10%) topped the losers. ACCESSCORP led trading activity with 64.96m shares, while ZENITHBANK recorded the highest value at N1.97 billion. Sectoral performance was largely bearish. The NGX Banking Index declined by 96bps, weighed down by ZENITHBANK (-2.25%), ACCESSCORP (-2.22%), and WEMABANK (-2.24%), while GTCO (+0.23%) provided mild support. The Consumer Index lost 20bps, dragged by NASCON (-2.27%) and INTBREW (-1.92%), despite gains in CHAMPION (+7.63%) and CADBURY (+4.42%). The Oil & Gas Index dropped 35bps on OANDO (-3.8%), while the Industrial Index edged up 1bp on CUTIX (+5.06%). Trading activity slowed, with value traded plummeting 97.32% to \$5.97m. Sentiment around ZENITHBANK's FY results remained mixed, leading to initial sell-offs before some recovery later in the session.

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

Foreign Exchange

The NFEM maintained stability today, despite a slight increase in demand, with the USD/NGN pair ranging between \$/₦1,535.00 and \$/₦1,540.00 before closing at \$/₦1,538.66.

Outlook: The Naira is anticipated to maintain its current trading range.

Commodities

Oil prices inched up on Thursday, nearing a one-month high amid global supply concerns, though gains were capped by worries over the economic impact of new U.S. tariffs. Brent crude futures rose 9 cents, or 0.1%, to \$73.88 per barrel by 11 a.m. EDT (1500 GMT), while WTI crude gained 20 cents, or 0.3%, to \$69.85. Meanwhile, gold surged to a record high as investors sought safe-haven assets amid escalating trade tensions and falling equity markets. Spot gold rose 1.2% to \$3,057.12 an ounce at 11:17 a.m. ET (1517 GMT), after hitting an all-time high of \$3,059.30.

Outlook: Tariff concerns currently pose the most significant downside risk for oil prices, potentially dampening demand growth.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
TIP	4.46	0.40	↑ 9.85%
MBENEFIT	0.96	0.08	↑ 9.09%
UNIVINSURE	0.60	0.05	↑ 9.09%
ROYALEX	0.97	0.08	↑ 8.99%
LEARNAFRCA	3.32	0.25	↑ 8.14%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
JOHNHOLT	7.74	-0.86	↓ -10.00%
CHAMS	2.04	-0.19	↓ -8.52%
NSLTECH	0.54	-0.05	↓ -8.47%
MAYBAKER	8.10	-0.70	↓ -7.95%
UPDC	2.70	-0.20	↓ -6.90%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.05%	↑ 0.54%	↓ -2.22%	↑ 2.43%
NSE BANKING INDEX	↓ -0.96%	↑ 4.40%	↓ -1.75%	↑ 5.61%
NSE INSURANCE INDEX	↑ 0.09%	↑ 2.70%	↓ -1.21%	↓ -1.45%
NSE INDUSTRIAL GOODS INDEX	↑ 0.01%	↑ 0.01%	↓ -3.59%	↓ -2.30%
NSE CONSUMER GOODS INDEX	↓ -0.20%	↑ 0.10%	↓ -1.51%	↑ 4.64%
NSE OIL & GAS INDEX	↓ -0.35%	↓ -1.14%	↓ -4.00%	↓ -9.32%

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