

Actionable Market Insights, Delivered Weekly.



MARKET COMMENTARY

DATE: Friday | 07 March 2025

Money Market

Interbank liquidity remained positive throughout the week, supported by OMO maturities and FAAC inflows. As a result, interbank rates initially declined, with the Overnight Policy Rate (OPR) and Overnight Rate (O/N) dropping to 26.42% and 26.83%, respectively. Midweek, liquidity improved further, but a CBN OMO auction, which saw allotments of ₦1.677 trillion, exerted funding pressure, driving rates higher. By Friday, interbank rates surged to 32.5% amid CRR activities, closing at elevated levels. Overall, the OPR rose by 33bps w/w to 27.08%, while the O/N increased by 34bps to 27.67%, reflecting tighter market conditions toward the week's end.

Outlook: Next week, we expect illiquidity due to CRR impacts and ₦550 billion net funding from the NTB auction. Rates will likely remain elevated at 32.5% without significant inflows.

Treasury Bills

The Treasury Bills market opened the week on a quiet note as investors awaited the NTB primary auction. Selling interest was observed in February 2026 maturities, while demand persisted at the short end. Midweek, market focus shifted to the NTB auction, where the DMO offered ₦650 billion across 91-day, 182-day, and 364-day papers, attracting ₦1.922 trillion in subscriptions. Stop rates fell to 17.75% and 17.82% for the mid and long tenors, respectively, while the short tenor remained at 17.00%. Following the auction, activity increased as players who missed out sought to fill orders, particularly in the 1-year bill. Meanwhile, the CBN conducted an OMO auction, offering ₦600 billion across 355-day and 362-day tenors, with stop rates settling at 19.19% and 19.45%. Subscription reached ₦1.877 trillion, with an allotment of ₦1.676 trillion. However, sentiment tapered toward the week's end as interbank liquidity tightened, leading to subdued trading and a slight uptick in rates. Overall, average NTB mid-rates rose by 22bps w/w to 17.89%.

Outlook: We expect a cautious theme as next week's NTB auction will offer ₦550 billion across 91-day, 182-day, and 364-day tenors, with ₦162.167 billion maturing the same week.

FGN Bonds

The local bonds market saw limited activity throughout the week, with trading volumes staying low due to wide bid/ask spreads. Early in the week, demand was concentrated on the April 2029, February 2031, and May 2033 papers, while offers were scarce. Midweek, yields inched up as most participants stayed on the sidelines. Sentiment remained mixed towards the week's end, with buying interest in the Jan 2035 paper and selling pressure on the Feb 2031 and 2Feb 034 maturities, leading to a slight yield uptick. Overall, the average mid-yield remained relatively unchanged w/w, settling at 18.07%.

Outlook: We anticipate the market will trade on a mixed tone next week.

Nigerian Equities

The local equities market closed the week in bearish territory, with losses recorded in all sessions except Thursday. Sell pressure dominated banking tickers, including FIRSHTHOLDCO, GTCO, UBA, ACCESSCORP, FIDELITYBK, and ZENITHBANK, before a mid-week correction as investors saw buying opportunities. TRANSCORP surged ahead of its board meeting but faced a selloff on Friday due to market disappointment. Losses in MTNN, STANBIC, and DANGSUGAR also weighed on the market, leading to a 119bps decline in the All-Share Index. UCAP rebounded after an initial slump on Monday. Offshore investors maintained strong interest in GTCO, ZENITHBANK, and OKOMUOIL. Notably, NGXGROUP hit a new 52-week high of ₦33.00, while corporate actions from GUINNESS, FIDELITYBK, and Wema Bank drove market activity.

Outlook: We anticipate market participants will stay cautious, though interest may emerge at attractive entry points amid earnings releases and potential corporate actions.

BENCHMARK T-BILLS DISCOUNT RATES			
	07-Mar-25	28-Feb-25	Change in Rates
91 DAYS	16.77%	17.62%	↓ -0.85%
182 DAYS	16.82%	17.97%	↓ -1.15%
322 DAYS	17.85%	17.90%	↓ -0.05%

Source: FMDQ DQL for 07-Mar-2025

BENCHMARK FGN BOND YIELDS			
	07-Mar-25	28-Feb-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	18.75%	19.00%	↓ -0.25%
10 YRS: 22.60% 29-JAN-2035	18.71%	18.47%	↑ 0.24%
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 07-Mar-2025

NFEM RATE (\$/₦)			Diff.
7-Mar-25	1,517.2448		
28-Feb-25	1,492.4900		↑ 24.7548

Source: FMDQ

SYS. LIQ. (₦BN)			Diff.
7-Mar-25	(1,322.20)		
28-Feb-25	130.94		↓ (1,453.14)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	24.51
AIICO BALANCED FUND	5.02
AIICO EUROBOND FUND	6.94

As of March 05, 2025

BENCHMARK FGN EUROBOND YIELDS				
	07-Mar-25	28-Feb-25	Change in Yield	
5 YRS: NIGERIA 8.375% 03/24/29	8.71%	8.35%	↑	0.36%
10 YRS: NIGERIA 7.375% 09/29/31	9.59%	9.27%	↑	0.32%
15 YRS: NIGERIA 7.696% 23/02/31	9.94%	9.72%	↑	0.22%
30 YRS: NIGERIA 8.25% 09/29/51	10.20%	9.94%	↑	0.26%
8.75% ETI 06/17/31*	7.99%	8.31%	↓	-0.32%

Source: FBN UK Runs for 07-Mar-2025

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (JANUARY 2025)	24.48% (Dec'24: 34.80%)
EXTERNAL RESERVE (US\$BILLION)	38.35 (-6.19% YTD as of 06-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*70.56 (-2.62 w/w)

Source: NBS,CBN, AICO Capital

Eurobonds Market

The Eurobond market started the week strong, with Nigeria and Egypt leading gains amid improved investor sentiment following Nigeria's three-year high GDP growth. However, optimism faded as U.S. tariffs on major trade partners triggered retaliatory measures, fueling fears of a global trade war. Midweek, the market saw a brief rebound on hopes of tariff relief, but sentiment turned bearish after a weak private sector jobs report and declining oil prices. The trend worsened as weekly jobless claims reinforced concerns over slowing U.S. growth, driving Nigerian Eurobond yields to session lows. By week's end, Nigeria and Angola posted gains, but Ghana's sell-off—driven by concerns over rising energy debt—limited the broader market recovery. Additionally, weaker-than-expected U.S. job data heightened economic slowdown fears. Overall, Nigerian Eurobonds' average mid-yield rose by 33bps w/w to 9.23%.

Outlook: We expect that the Federal Reserve may now take a more cautious stance on rates.

Foreign Exchange

The Naira depreciated this week due to tight dollar liquidity and increased demand from foreign portfolio investors and local corporates. Offshore demand remained strong, pushing rates higher despite the CBN selling over \$131.7 million in intervention sales—the second-largest single-day sale this year. The market opened at ₦1,510/\$ and saw heavy bids, driving the Naira to ₦1,540/₦1,560 by week's end. Despite bond sell-offs, demand for FX remained high, fueled by concerns over Brent crude levels. Total market turnover reached \$320 million, with some trades yet to be recorded. Overall, the Naira weakened by 1.659% w/w, closing at ₦1,517.24/\$ from ₦1,492.49/\$ the previous week.

Outlook: The CBN's management of market supply will dictate currency movements. With reserves exceeding \$38 billion, the CBN has sufficient resources to stabilize the currency.

Commodities

Oil prices rose on Friday but pulled back from session highs after U.S. President Donald Trump warned of potential sanctions on Russia if it failed to negotiate a cease-fire with Ukraine. In a post on Truth Social, Trump stated he was "strongly considering" imposing sanctions on Russian banks and tariffs on Russian goods due to ongoing military actions. Brent crude climbed \$1.10 (1.58%) to \$70.56 per barrel by 1605 GMT, while U.S. WTI crude rose \$1.06 (1.6%) to \$67.42. Meanwhile, gold prices dipped slightly but remained on track for a weekly gain, driven by safe-haven demand and weaker-than-expected U.S. job growth. Spot gold fell 0.1% to \$2,906.04 an ounce.

Outlook: While the tariff delay provides temporary relief, the market remains cautious amid policy uncertainty and oversupply concerns.

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
UBA	37.95	↑ 3.13%	72.23	↑ 5.63%
GUINNESS	79.90	↑ 7.97%	23.73	↑ 1.85%
PZ	37.10	↑ 4.80%	12.40	↑ 0.97%
NGXGROUP	33.00	↑ 10.00%	10.82	↑ 0.84%
CUSTODIAN	19.90	↑ 4.46%	9.18	↑ 0.72%

Source: NGX, AICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
TRANSCORP	46.90	↓ -17.72%	753.98	↓ -58.78%
MTNN	255.80	↓ -3.18%	314.01	↓ -24.48%
ACCESSCORP	23.85	↓ -6.84%	114.24	↓ -8.91%
STANBIC	60.00	↓ -6.25%	95.18	↓ -7.42%
GTCO	59.50	↓ -2.78%	91.89	↓ -7.16%

Source: NGX, AICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.23%	↓ -1.19%	↓ -1.19%	↑ 3.51%
NSE Banking Index	↑ 0.12%	↓ -2.87%	↓ -2.87%	↑ 4.40%
NSE Insurance Index	↑ 1.27%	↓ -2.33%	↓ -2.33%	↓ -2.56%
NSE Industrial Goods Index	→ 0.00%	↓ -0.01%	↓ -0.01%	↑ 1.33%
NSE Consumer Goods Index	↑ 0.42%	↓ -1.72%	↓ -1.72%	↑ 4.42%
NSE Oil & Gas Index	↓ -0.09%	↓ -0.19%	↓ -0.19%	↓ -5.72%

Source:NGX, Bloomberg, AICO Capital

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