

Actionable Market Insights, Delivered Weekly.



MARKET COMMENTARY

DATE: Friday | 14 March 2025

Money Market

Interbank liquidity remained in negative territory throughout the week, driven by CRR debits and subsequent liquidity constraints. Despite inflows for oil-producing states, market illiquidity persisted, keeping interbank rates elevated. The Overnight Policy Rate (OPR) and Overnight Rate (O/N) steadily increased, reaching 32.33% and 32.75%, respectively, as liquidity worsened midweek. The market saw further strain following a net NTB settlement of ₦516.59 billion. By the week's close, illiquidity persisted, maintaining elevated interbank rates. The OPR rose by 5.32% w/w to 32.40%, while the O/N rate increased by 5.13% w/w to 32.80%.

Outlook: Interbank liquidity is expected to tighten further next week due to NTB auction settlements and other bank obligations. Despite a ₦398.65 billion bond coupon inflow, rates could stay high at 32.5%.

Treasury Bills

The Treasury Bills market saw mixed sentiment throughout the week, with alternating periods of buying interest and sell-offs. Early in the week, investors sought attractive levels in the mid to long tenors, driving yields higher. Limited trades were recorded, particularly in the 22 Jan 2026 and 5 Mar 2026 papers. Midweek, activity was subdued as investors focused on the NTB auction, where the DMO sold ₦678.76bn against an initial offer of ₦550bn. Stop rates for 91-day, 182-day, and 364-day bills settled at 17.00%, 17.79%, and 18.39%, respectively. However, a revised auction calendar announcing an ₦800bn offer on March 19, 2025, led to sharp yield increases as investors anticipated better returns. By the week's close, the market saw widespread offers, especially in OMO and long-tenor NTBs. Limited demand resulted in low traded volumes, with the average mid-rate rising by 67bps w/w to 18.56%.

Outlook: We anticipate a cautious tone as next week's NTB auction will make ₦800 billion available across 91-day, 182-day, and 364-day tenors.

FGN Bonds

The local bonds market witnessed a subdued trading week, marked by weak demand and a liquidity squeeze that pressured mid-tenor bonds. Early in the week, selling interest dominated, leading to limited execution on February 2031 and May 2033 papers. As the week progressed, market sentiment remained cautious, with limited trades on February 2031, May 2033, and February 2034 bonds. Midweek, improved offers emerged on the April 2029, February 2031, and May 2033 bonds, but wide bid-offer spreads restricted transactions, keeping yields stable. By week's end, the market remained quiet with few trades executed. Overall, the average mid-yield across the curve rose by 23bps w/w to close at 18.30%.

Outlook: We expect the market will continue to show a mixed to bearish trend next week.

Nigerian Equities

The local equities market closed bearish as selloffs in MTNN, OANDO, UBA, CONOIL, DANGSUGAR, and WAPCO outweighed buying interest in TRANSCORP and GTCO, dragging the All-Share Index down by 51bps w/w. Banking stocks saw mixed performance, with GTCO, FCMB, and STERLINGNG posting gains, while others declined. Trading volume surged in ARADEL following its announcement of the completed Shell acquisition. Offshore investors were active in GTCO, NB, ZENITHBANK, ACCESSCORP, and WAPCO. Key corporate actions included Oando's selection as the preferred bidder for Guaracara refinery, Seplat's \$650m bond issuance, and AFRIPRUD hitting a 52-week high at ₦36.30. GEREGU and NGXGROUP traded ex-dividend at ₦1,141.5 and ₦30.85, respectively.

Outlook: Trading may stay cautious next week amid February inflation data and yield movements, though recent selloffs could attract buyers seeking re-entry opportunities.

BENCHMARK T-BILLS DISCOUNT RATES			
	14-Mar-25	07-Mar-25	Change in Rates
83 DAYS	16.77%	16.77%	→ 0.00%
174 DAYS	16.82%	16.82%	→ 0.00%
342 DAYS	18.05%	17.85%	↑ 0.20%

Source: FMDQ DQL for 14-Mar-2025

BENCHMARK FGN BOND YIELDS			
	14-Mar-25	07-Mar-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	18.50%	18.75%	↓ -0.25%
10 YRS: 22.60% 29-JAN-2035	18.45%	18.71%	↓ -0.26%
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 14-Mar-2025

NFEM RATE (\$/₦)			Diff.
14-Mar-25	1,517.9300		
7-Mar-25	1,517.2448	↑	0.6852

Source: FMDQ

SYS. LIQ. (₦BN)			Diff.
14-Mar-25	(956.03)		
7-Mar-25	(1,322.20)	↑	366.18

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.35
AIICO BALANCED FUND	4.90
AIICO EUROBOND FUND	6.75

As of March 13, 2025

BENCHMARK FGN EUROBOND YIELDS	14-Mar-25	07-Mar-25	Change in Yield
5 YRS: NIGERIA 8.375% 03/24/29	9.05%	8.71%	↑ 0.34%
10 YRS: NIGERIA 7.375% 09/29/31	9.84%	9.59%	↑ 0.25%
15 YRS: NIGERIA 7.696% 23/02/31	10.20%	9.94%	↑ 0.26%
30 YRS: NIGERIA 8.25% 09/29/51	10.45%	10.20%	↑ 0.25%
8.75% ETI 06/17/31*	8.73%	7.99%	↑ 0.74%

Source: FBN UK Runs for 14-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)	38.36 (-6.16% YTD as of 12-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*70.61 (+0.05 w/w)

Source: NBS,CBN, AIICO Capital

Eurobonds Market

The Eurobond market faced significant volatility this week, with broad sell-offs across Sub-Saharan African and North African bonds. Market sentiment remained weak amid concerns over global economic instability, driven by U.S. trade policies and recession fears. The week began with a sharp sell-off in Nigerian Eurobonds, pushing the average mid-yield up to 9.33%. Midweek, a temporary recovery was observed after softer-than-expected U.S. inflation data, briefly lowering yields. However, renewed trade tensions and declining oil prices triggered further sell-offs, with the Nigerian curve particularly affected. By the end of the week, bearish sentiment prevailed, as aggressive risk-off trades pressured valuations. The Nigerian Eurobond market closed with an average mid-yield of 9.44%, up 21bps w/w.

Outlook: We anticipate the bearish sentiment will persist due to ongoing global uncertainties.

Foreign Exchange

Dollar liquidity improved in the Nigerian Foreign Exchange Market (NFEM) this week, supported by CBN interventions and inflows from offshore clients and local corporations. However, demand pressure persisted, leading to fluctuations in the USD/NGN exchange rate. The Naira traded within a range of \$/₦1,520 – \$/₦1,570, with the CBN selling over \$336.85 million at rates between \$/₦1,524.5 and \$/₦1,556. Despite these interventions, demand outpaced supply, causing the Naira to depreciate. By the end of the week, the market recorded improved liquidity, with trades ranging between \$/₦1,480 and \$/₦1,548. Overall, the Naira depreciated by 4.5bps w/w, closing at \$/₦1,517.93 against the dollar.

Outlook: We expect the CBN to sustain its support for the USD/NGN pair amid global headwinds.

Commodities

Oil prices recovered on Friday following a decline of over 1% in the previous session, as investors reassessed the likelihood of a swift resolution to the Ukraine conflict, which could increase Russian energy supplies to Western markets. Brent crude rose 73 cents, or 1.04%, to \$70.61 per barrel at 1:18 p.m. EDT (1718 GMT) after falling 1.5% on Thursday. U.S. West Texas Intermediate crude climbed 72 cents, or 1.08%, to \$67.27, following a 1.7% drop. Meanwhile, gold surged past the \$3,000 mark for the first time, driven by safe-haven demand amid economic uncertainty fueled by President Trump's tariff policies. Spot gold reached a record \$3,004.86 before retreating 0.2% to \$2,981.42 as of 11:34 a.m. ET (1534 GMT).

Outlook: With ceasefire prospects delayed, Russian oil may face prolonged sanctions. However, high demand risks and rising OPEC+ supply could limit a sustained oil price recovery.

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
TRANSCORP	51.00	↑ 8.74%	306.07	↑ 56.34%
GTCO	61.00	↑ 2.52%	81.08	↑ 14.92%
FCMB	9.80	↑ 7.69%	25.46	↑ 4.69%
STERLINGNG	5.40	↑ 5.47%	14.81	↑ 2.73%
INTBREW	5.50	↑ 5.77%	14.80	↑ 2.72%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
MTNN	245.00	↓ -4.22%	403.72	↓ -74.31%
OANDO	52.00	↓ -7.14%	91.32	↓ -16.81%
UBA	36.60	↓ -3.56%	84.79	↓ -15.61%
CONOIL	331.20	↓ -10.00%	46.90	↓ -8.63%
DANGSUGAR	35.05	↓ -5.27%	43.50	↓ -8.01%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.25%	↓ -0.55%	↓ -1.73%	↑ 2.94%
NSE Banking Index	↓ -0.19%	↓ -0.45%	↓ -3.31%	↑ 3.93%
NSE Insurance Index	↑ 0.50%	↑ 0.89%	↓ -1.45%	↓ -1.69%
NSE Industrial Goods Index	↓ -0.03%	↓ -0.21%	↓ -0.22%	↑ 1.11%
NSE Consumer Goods Index	↓ -1.08%	↑ 0.03%	↓ -1.69%	↑ 4.45%
NSE Oil & Gas Index	↓ -0.18%	↓ -1.15%	↓ -1.34%	↓ -6.81%

Source:NGX, Bloomberg, AIICO Capital

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