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AIICO CAPITAL

DATE: Wednesday, 09 April 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity opened lower at ~₦341 billion but maintained a positive balance. Rates showed no material movement, as the Overnight Policy Rate (OPR) stabilized at 26.50% while the Overnight Rate (O/N) closed at 26.96%.

Outlook: Tomorrow's NTB redemption of c.₦127.25 billion is expected to boost market liquidity, though rates could rise moderately depending on the NTB auction results and CBN FX settlement.

Treasury Bills

Trading in the Treasury Bills market was subdued as attention turned to the NTB auction, where the DMO offered ₦800 billion across 91-day, 182-day, and 364-day tenors. Activity remained light, with only a few small retail trades recorded—notably on the 22 Jan 2026 and 26 Mar 2026 papers. The benchmark NTB mid-rate ended the session at 20.03%.

Outlook: Market sentiment is expected to be driven by the auction results in the near term.

FGN Bonds

Cautious sentiment continued to dominate the local bonds market today, resulting in another quiet session. Although select maturities – notably the Mar 2027, Jan 2035, and Jun 2053 papers – saw some demand, trading volumes stayed low. The average mid-yield rose slightly by 7bps to close at 18.78%.

Outlook: The market tone is expected to remain mixed with bearish tendencies as investors carefully evaluate yield opportunities.

Eurobonds

Sub-Saharan African (SSA) Eurobonds prices closed lower as yields rose across the curve amid sustained selling pressure. Renewed trade tensions and fears of a global slowdown triggered a broad-based retreat from emerging market assets, including SSA sovereign debt. Escalating tariff disputes and persistent inflation have heightened recession concerns, further dampening risk appetite. The market also recalibrated expectations for Federal Reserve rate cuts, weighing the dual pressures of slowing growth against sticky inflation. Against this backdrop, Nigerian Eurobond yields climbed 25 bps to settle at 11.22%.

Outlook: Persistent US-China trade tensions, retaliatory tariffs, and falling oil prices are likely to sustain risk-averse market sentiment.

BENCHMARK T-BILLS DISCOUNT RATES			
	09-Apr-25	08-Apr-25	Change in Rates
92 DAYS	17.85%	17.85%	→ 0.00%
183 DAYS	19.31%	19.31%	→ 0.00%
351 DAYS	19.53%	19.52%	↑ 0.01%

Source: FMDQ DQL for 09-Apr-2025

BENCHMARK FGN BOND YIELDS			
	09-Apr-25	08-Apr-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.43%	19.43%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	19.60%	18.85%	↑ 0.75%
13 YRS: 15.45% 21-JUN-2038	18.37%	18.37%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.00%	17.00%	→ 0.00%

Source: FMDQ DQL for 09-Apr-2025

BENCHMARK FGN EUROBOND YIELDS			
	09-Apr-25	08-Apr-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	11.17%	10.92%	↑ 0.25%
10 YRS: NGERIA 7.375% 09/29/31	11.32%	11.18%	↑ 0.14%
15 YRS: NGERIA 7.696% 23/02/31	11.71%	11.45%	↑ 0.26%
30 YRS: NGERIA 8.25% 09/29/51	11.76%	11.53%	↑ 0.23%
8.75% ETI 06/17/31*	9.64%	9.64%	→ 0.00%

Source: FBN UK Runs for 09-Apr-2025

NFEM RATE (\$/₦)		Diff.
8-Apr-25	1,611.5535	
8-Apr-25	1,611.5535	→ 0.0000

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
9-Apr-25	341.51	
8-Apr-25	757.06	↓ (415.56)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	19.70
AIICO BALANCED FUND	5.39
AIICO EUROBOND FUND	7.10

As of April 08, 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)	38.09 (-6.81% YTD as of 07-Apr-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*64.64 (+1.90 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market closed on a bearish note as the All-Share Index (ASI) dipped 18bps, trimming the YTD gain to 1.22%. Despite a positive open, sentiment turned negative mid-session, leading to a mixed market close. GTCO led both the volume and value charts with 62.88 million units and ₦4.1 billion respectively, accounting for a significant portion of activity in the banking space. The NGX Banking Index declined 160bps due to selloffs in ETI (-9.9%), FIDELITYBK (-3.24%), UBA (-2.58%), and GTCO (-1.74%), despite a mild gain in ZENITHBANK (+0.64%). The Consumer Goods Index fell 23bps, weighed by losses in PZ and UNILEVER, though gains in DANGSUGAR (+2.52%) and NASCON (+5.14%) provided some cushion. The Oil & Gas Index rose 47bps, buoyed by OANDO (+6.58%), while the Industrial Index slipped 4bps. Value traded rose 17.64% to \$7.25m. Notable crosses included 20m GTCO at ₦65.00 and 9m ZENITHBANK at ₦47.10.

Outlook: The market is likely to see mixed sentiments during tomorrow's trading.

Foreign Exchange

The interbank market stayed bid due to sustained demand pressure. In response, the CBN stepped in to support the market by selling \$98 million at rates between \$/₦1,625 and \$/₦1,640. The USD/NGN pair traded within a range of \$/₦1,610 to \$/₦1,650.

Outlook: Heightened risk aversion is driving offshore investors to sell, yet the CBN is expected to persist with market-stabilizing measures.

Commodities

Oil prices rebounded on Wednesday, recovering from earlier four-year lows after U.S. President Donald Trump announced a tariff hike on China but also paused tariff increases for other countries. Trump authorized a 90-day delay for most countries while imposing a 125% tariff on China, effective immediately. The previously set 104% tariff on China began at 12:01 a.m. EDT (0401 GMT). Brent crude rose by \$1.82, or 2.9%, to \$64.64 per barrel, while U.S. West Texas Intermediate crude gained \$1.92, or 3.22%, reaching \$61.50. Gold surged more than 3%, driven by a weaker dollar and heightened demand for safe-haven assets, with spot gold rising 3.4% to \$3,086.04 an ounce. U.S. gold futures increased 3.7% to \$3,101.70.

Outlook: While current oil demand remains resilient, growing expectations of a slowdown in the coming months may necessitate lower prices to balance the market and avoid a supply glut. Meanwhile, China's forceful retaliatory measures have significantly reduced prospects for a near-term US-China trade resolution, amplifying global recession concerns.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
VFDGROUP	72.60	6.60	↑ 10.00%
LIVESTOCK	8.03	0.73	↑ 10.00%
NGXGROUP	35.65	3.20	↑ 9.86%
WAPIC	1.94	0.17	↑ 9.60%
UNIONDICON	6.35	0.55	↑ 9.48%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
HMCALL	5.22	-0.58	↓ -10.00%
LEARNAFRCA	2.97	-0.33	↓ -10.00%
ETI	26.85	-2.95	↓ -9.90%
PZ	30.10	-3.30	↓ -9.88%
UNILEVER	34.70	-3.75	↓ -9.75%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.18%	↓ -1.26%	↓ -1.39%	↑ 1.22%
NSE BANKING INDEX	↓ -1.60%	↓ -5.11%	↓ -5.04%	↑ 1.57%
NSE INSURANCE INDEX	↑ 2.67%	↓ -10.37%	↓ -12.71%	↓ -15.08%
NSE INDUSTRIAL GOODS INDEX	↓ -0.04%	↓ -0.17%	↓ -0.38%	↓ -2.68%
NSE CONSUMER GOODS INDEX	↓ -0.23%	↓ -2.07%	↓ -2.09%	↑ 2.68%
NSE OIL & GAS INDEX	↑ 0.47%	↓ -0.83%	↓ -1.32%	↓ -10.54%

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