

MARKET COMMENTARY

DATE: Wednesday, 23 April 2025

System Liquidity

Interbank liquidity jumped significantly after yesterday's triple inflow injection - FAAC allocations to local governments, FGN bond coupon payments, and substantial CBN Remita receipts - which more than offset FX settlement outflows. This liquidity cushion kept rates anchored near 26.5% today, with the Overnight Policy Rate (OPR) holding at 26.50% and the Overnight Rate (O/N) rate dipping 8bps to 26.88%.

Outlook: Interbank rates should hold steady at current levels unless we see any major liquidity shocks.

Treasury Bills

The Treasury bills market traded quietly today as attention shifted to the NTB primary market auction. Secondary market activity was light, with the benchmark NTB average mid-rate easing 7bps to close at 19.71%. The auction saw strong demand, with total subscriptions reaching ₦1.54 trillion against the ₦400 billion offered. The DMO ultimately sold ₦714.38 billion, with stop rates declining across tenors: 91-day papers fell 50bps to 18.00%, 182-day dropped 100bps to 18.50%, and 364-day edged 3bps lower to 19.60%.

Outlook: Activity tomorrow may be split between profit-taking on auction winnings and secondary market positioning by unsuccessful bidders.

FGN Bonds

The bond market continued its quiet tone as most participants stayed out of the action. The limited trading that did occur concentrated on two tenors - February 2031 and June 2053 maturities - with the broader market seeing little flow. By session close, the average mid-yield had drifted 2 bps lower to settle at 18.78%.

Outlook: We expect the same sentiment to persist tomorrow.

Eurobonds

African Eurobonds rallied decisively after President Trump's dual reassurances - first declaring he had 'no intention' of dismissing Fed Chair Powell, then signaling potential tariff reductions on Chinese imports. These comments alleviated concerns about central bank independence and trade policy stability, providing much-needed relief to investors rattled by months of market volatility. The improved risk sentiment propelled Nigerian Eurobonds higher, with the average mid-yield declining by 22 bps to close at 10.15%.

Outlook: The prevailing sentiment appears likely to continue into tomorrow's trading.

BENCHMARK T-BILLS DISCOUNT RATES			
	23-Apr-25	22-Apr-25	Change in Rates
92 DAYS	17.39%	17.39%	→ 0.00%
183 DAYS	18.51%	18.51%	→ 0.00%
337 DAYS	19.20%	18.35%	↑ 0.85%

Source: FMDQ DQL for 23-Apr-2025

BENCHMARK FGN BOND YIELDS			
	23-Apr-25	22-Apr-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.78%	19.78%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	19.66%	19.66%	→ 0.00%
13 YRS: 15.45% 21-JUN-2038	18.37%	18.37%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.15%	17.15%	→ 0.00%

Source: FMDQ DQL for 23-Apr-2025

NFEM RATE (\$/₦)		Diff.
23-Apr-25	1,602.3043	
22-Apr-25	1,602.6318	↓ (0.3275)

Source: FMDQ

SYS. LIQ. (₦BN)		Diff.
23-Apr-25	950.52	
22-Apr-25	374.93	↑ 575.58

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	20.90
AIICO BALANCED FUND	5.91
AIICO EUROBOND FUND	7.16

As of April 22, 2025

BENCHMARK FGN EUROBOND YIELDS				
	23-Apr-25	22-Apr-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.70%	9.94%	↓	-0.24%
10 YRS: NGERIA 7.375% 09/29/31	10.41%	10.64%	↓	-0.23%
15 YRS: NGERIA 7.696% 23/02/31	10.66%	10.77%	↓	-0.11%
30 YRS: NGERIA 8.25% 09/29/51	10.99%	11.18%	↓	-0.19%
8.75% ETI 06/17/31*	9.44%	9.67%	↓	-0.23%
Source: FBN UK Runs for 23-Apr-2025				

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (MARCH 2025)	24.23% (Feb'25: 23.18%)
EXTERNAL RESERVE (US\$'BILLION)	37.84 (-7.43% YTD as of 22-Apr-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*65.52 (-1.89 d/d)
Source: NBS,CBN, AIICO Capital	

Nigerian Equities

The Nigerian equities market closed on a positive note as the All-Share Index (ASI) advanced by 52bps, bringing year-to-date returns to 2.29%. Market sentiment leaned bullish, with 34 stocks gaining against 17 decliners. ABCTTRANS (+9.86%) led the gainers, while TRIPPLEG (-10%) topped the losers’ chart. FIDELITYBK was the most active stock, dominating both volume and value charts with 388.77m units traded worth N7.75bn. The NGX Banking Index surged 293bps, lifted by strong performances in FIDELITYBK (+8.29%), UBA (+5.91%), and ACCESSCORP (+4.64%). The Consumer Goods Index rose 125bps, buoyed by DANGSUGAR (+8.48%) and INTBREW (+5.79%). The Oil & Gas Index dipped 30bps due to losses in MRS (-9.95%), while the Industrial Index closed flat. Value traded spiked by 154.12% to \$11.38m, largely on block trades in FIDELITYBK, GTCO, and MTNN. Though sentiment was mixed intraday, market strength re-emerged in the early and closing sessions, driving the ASI higher.

Outlook: The current trading pattern looks set to continue into tomorrow's session.

Foreign Exchange

The Naira remained stable in the interbank NFEM market, as the USD/NGN pair traded within a range of \$/₦1,591.23 to \$/₦1,606. By the end of the session, the Naira gained slightly, appreciating by 2 bps to close at \$/₦1,602.3043.

Outlook: Range-bound trading should continue for the Naira in the near term.

Commodities

Oil prices dropped 3% on Wednesday as reports suggested that OPEC+ might speed up production hikes in June. However, the decline was limited after news emerged that U.S. President Donald Trump could reduce tariffs on Chinese goods. Brent crude fell \$1.92, or 2.85%, to \$65.52 per barrel, while U.S. West Texas Intermediate (WTI) slid \$1.99, or 3.13%, to \$61.68. Gold prices also declined sharply, extending losses from a record high hit the day before. Improved investor sentiment following Trump’s assurance that he wouldn’t fire the Fed Chair and signs of easing tensions with China weighed on safe-haven demand. Spot gold dropped 3% to \$3,281.60, while U.S. gold futures fell 3.7%, settling at \$3,294.10 per ounce.

Outlook: We expect the volatility in oil prices to persist amid potential for tariff reprieve.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ABCTTRANS	1.56	0.14	↑ 9.86%
VFDGROUP	17.10	1.50	↑ 9.62%
LEARNAFRCA	3.56	0.31	↑ 9.54%
REGALINS	0.58	0.05	↑ 9.43%
AFRIPRUD	15.10	1.20	↑ 8.63%
Source: NGX, AIICO Capital			

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
TRIPPLEG	1.98	-0.22	↓ -10.00%
MRS	157.50	-17.40	↓ -9.95%
ABBEYBDS	8.79	-0.97	↓ -9.94%
JOHNHOLT	7.00	-0.75	↓ -9.68%
AUSTINLAZ	1.89	-0.20	↓ -9.57%
Source: NGX, AIICO Capital			

	D-o-D		W-o-W		MTD		YTD	
NGX ASI	↑	0.52%	↑	1.38%	↓	-0.36%	↑	2.29%
NSE BANKING INDEX	↑	2.93%	↑	5.04%	↓	-3.92%	↑	2.77%
NSE INSURANCE INDEX	↓	-0.81%	↓	-1.63%	↓	-9.46%	↓	-11.91%
NSE INDUSTRIAL GOODS INDEX	↓	0.00%	↑	0.07%	↓	-0.41%	↓	-2.70%
NSE CONSUMER GOODS INDEX	↑	1.25%	↑	5.07%	↑	4.67%	↑	9.76%
NSE OIL & GAS INDEX	↓	-0.30%	↑	0.03%	↓	-1.87%	↓	-11.04%

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