

Actionable Market Insights, Delivered Weekly.

**AIICO
CAPITAL**

MARKET COMMENTARY

DATE: Friday | 11 April 2025

Money Market

The interbank market opened the week with a robust liquidity surplus of ₦906.85 billion, supporting stable short-term rates. However, liquidity declined significantly by ₦603.81 billion to close at ₦303.04 billion due to CBN FX settlements, NTB auction debits, and TSA remittances. Despite these outflows, market liquidity remained in surplus throughout the week. Consequently, interbank rates were relatively steady, with only modest upward movement. The Overnight Policy Rate (OPR) rose by 8bps w/w to 26.58%, while the Overnight Rate (O/N) increased by 10bps w/w to 26.96%. Overall, the market remained resilient, maintaining stability around the 27% levels, even amid pressure from liquidity-draining activities. System liquidity was also supported by NTB maturities during the week.

Outlook: While c.₦257 billion FGN bond coupon payments will improve market liquidity, CBN's active FX participation may drain funds and lift interbank rates slightly.

Treasury Bills

The Treasury Bills market witnessed mixed sentiments over the week, with early bearish pressure driven by foreign portfolio investors offloading long-dated papers, particularly the Feb and Mar 2026 maturities. This pushed the average mid-rate up by 38bps to 19.50%. Activity slowed ahead of the NTB auction, with thin volumes and limited buy-side interest. The auction garnered strong demand with ₦1.126 trillion in subscriptions against an ₦800 billion offer, although only ₦424.58 billion was allotted. Stop rates rose 50 bps (91-day) and 100 bps (182-day) to 18.50% and 19.50%, respectively, while the 364-day held steady at 19.63%. Despite some post-auction demand on the newly issued 1-year paper (09-Apr-2026), offers were scarce, thus investors directed their interest to the closest maturity (26-Mar-2026). Overall, the market closed the week bearish, with average NTB mid-rates rising by 90bps w/w to 20.12%.

Outlook: Treasury Bills market sentiment will likely remain mixed, tracking liquidity conditions.

FGN Bonds

The local bonds market remained largely subdued throughout the week as cautious sentiment prevailed. Trading activity was thin, with limited interest focused on select papers such as Feb 2031, May 2033, and Jun 2053. Mid-week sessions saw slight demand for Mar 2027 and Jan 2035 papers, but volumes remained low overall. Sellers dominated the short- to mid-tenor segment towards week's end, especially on the Apr 2029 and Feb 2031 bonds. Despite some cherry-picking by market participants at the belly of the curve, the average mid-yield rose by 38bps w/w, closing at 18.86%.

Outlook: With no positive triggers and persistent investor caution, market sentiment will likely remain mixed to bearish.

Nigerian Equities

The Nigerian equities market closed the week on a bearish note, with the All-Share Index (ASI) declining by 90bps w/w to close at 104,563.34 points. Early-week sentiment was dampened by global uncertainties stemming from Trump's tariff announcement. However, market stability returned mid-week as investors hunted bargains in beaten-down bank stocks. Mixed sentiments persisted thereafter, driven by dividend qualification expectations. Sell pressure in MTNN, TRANSCORP, ACCESSCORP, UBA, and ETI outweighed gains in ZENITHBANK, dragging the index lower. Meanwhile, interest gradually returned to DANGSUGAR and NASCON, though ACCESSCORP extended losses. Offshore players were largely inactive, participating only in GTCO and ZENITHBANK. Notably, 5.98bn units of FIRS HOLDCO shares were listed from its rights issue, while Wema Bank's ₦150bn capital raise begins on April 14, 2025.

Outlook: Investor caution should persist amid ongoing scrutiny of global market conditions and fixed-income yield direction.

BENCHMARK T-BILLS DISCOUNT RATES			
	11-Apr-25	04-Apr-25	Change in Rates
90 DAYS	18.10%	17.30%	↑ 0.80%
181 DAYS	18.50%	17.50%	↑ 1.00%
349 DAYS	19.38%	19.70%	↓ -0.32%

Source: FMDQ DQL for 11-Apr-2025

BENCHMARK FGN BOND YIELDS			
	11-Apr-25	04-Apr-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.43%	18.50%	↑ 0.93%
10 YRS: 22.60% 29-JAN-2035	19.60%	19.23%	↑ 0.38%
13 YRS: 15.45% 21-JUN-2038	18.37%	18.36%	↑ 0.01%
28 YRS: 15.70% 21-JUN-2053	17.31%	17.00%	↑ 0.31%

Source: FMDQ DQL for 11-Apr-2025

NFEM RATE (\$/₦)		Diff.
11-Apr-25	1,603.7832	
4-Apr-25	1,567.0200	↑ 36.7632

Source: FMDQ

SYS. LIQ. (₦'BN)		Diff.
11-Apr-25	303.04	
4-Apr-25	969.64	↓ (666.60)

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 8, 2025

BENCHMARK FGN EUROBOOND YIELDS	11-Apr-25	04-Apr-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	11.18%	10.54%	↑ 0.64%
10 YRS: NGERIA 7.375% 09/29/31	11.51%	11.26%	↑ 0.25%
15 YRS: NGERIA 7.696% 23/02/31	11.64%	11.45%	↑ 0.19%
30 YRS: NGERIA 8.25% 09/29/51	11.71%	11.59%	↑ 0.12%
8.75% ETI 06/17/31*	9.42%	9.18%	↑ 0.24%

Source: FBN UK Runs for 11-Apr-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)	38.04 (-6.95% YTD as of 10-Apr-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*64.76 (-0.82 w/w)

Source: NBS,CBN, AIICO Capital

Eurobonds Market

Sub-Saharan African Eurobonds faced significant pressure this week amid escalating global trade tensions. President Trump's imposition of a 145% tariff on Chinese imports prompted swift retaliation from China, which raised tariffs on U.S. goods to 125%, intensifying fears of a prolonged trade war. This uncertainty led to a broad sell-off in emerging market assets, with Nigerian Eurobond yields rising by 64 bps w/w to close at 11.41%. While a brief rebound occurred midweek, driven by bargain hunting and a dovish tone from the Federal Reserve Chair, the gains were short-lived as renewed tariff escalations reignited risk aversion among investors.

Outlook: *The prolonged US-China trade impasse signals continuing market caution.*

Foreign Exchange

The Nigerian Naira faced continued depreciation this week amid persistent demand pressures and limited foreign exchange supply. The Central Bank of Nigeria intervened by selling c.\$634.85 million across multiple sessions, which temporarily eased volatility. Despite these efforts, the Naira weakened by 2.346% w/w, closing at \$/₦1,603.78. The NAFEX fixing mirrored this trend, fluctuating between \$/₦1,616.63 and \$/₦1,643.33. Trading activity was concentrated between \$/₦1,580 and \$/₦1,655, with the B-match platform recording highs of \$/₦1,665 and lows of \$/₦1,490. Concurrently, Nigeria's foreign reserves declined by c.\$102 million, settling at \$38.03 billion as of April 10, 2025.

Outlook: *The Central Bank is anticipated to maintain its market stabilization interventions in the near term.*

Commodities

Oil prices rose sharply on Friday, with Brent and West Texas Intermediate (WTI) crude gaining more than \$1 following comments from U.S. Energy Secretary Chris Wright, who suggested that the U.S. might move to halt Iran's oil exports in a bid to pressure the country over its nuclear ambitions. Brent crude settled at \$64.76 a barrel, up \$1.43 or 2.26%, while WTI ended at \$61.50, also gaining \$1.43 or 2.38%. Meanwhile, gold soared past \$3,200 an ounce as recession concerns mounted due to a deepening U.S.-China trade war and a weakening dollar. Spot gold rose nearly 2% to \$3,235.89 after hitting a record \$3,245.28, with weekly gains exceeding 6%.

Outlook: *Tighter Iranian export curbs would squeeze global supply, while delayed non-China tariffs failed to reverse earlier market damage - leaving oil prices unstable.*

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
ZENITHBANK	49.95	↑ 4.28%	↑ 118.20	↑ 12.46%
TOTAL	745.00	↑ 9.61%	↑ 40.72	↑ 4.29%
DANGSUGAR	33.70	↑ 5.31%	↑ 37.92	↑ 4.00%
ABBEYBDS	6.13	↑ 29.60%	↑ 26.11	↑ 2.75%
FCMB	9.35	↑ 3.31%	↑ 10.91	↑ 1.15%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
MTNN	235.00	↓ -4.08%	↓ 373.82	↓ -39.41%
TRANSCORP	40.95	↓ -8.39%	↓ 279.94	↓ -29.51%
ACCESSCORP	20.45	↓ -9.71%	↓ 143.62	↓ -15.14%
UBA	35.30	↓ -4.21%	↓ 97.35	↓ -10.26%
ETI	26.85	↓ -8.67%	↓ 85.93	↓ -9.06%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.21%	↓ -0.90%	↓ -1.04%	↑ 1.59%
NSE Banking Index	↑ 0.55%	↓ -2.20%	↓ -1.99%	↑ 4.83%
NSE Insurance Index	↑ 2.07%	↓ -4.57%	↓ -8.51%	↓ -10.99%
NSE Industrial Goods Index	↓ -0.06%	↓ -0.26%	↓ -0.48%	↓ -2.77%
NSE Consumer Goods Index	↓ 0.00%	↓ -0.61%	↓ -1.51%	↑ 3.28%
NSE Oil & Gas Index	↓ -0.43%	↓ -0.50%	↓ -1.67%	↓ -10.86%

Source:NGX, Bloomberg, AIICO Capital

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