

# DAILY MARKET INSIGHTS.



Tuesday, 06 May 2025

## MARKET COMMENTARY

### System Liquidity

The Central Bank maintained its tight monetary policy today, offering ₦500 billion in OMO auctions across two long-term tenors. Demand outstripped supply, with total subscriptions reaching ₦773.74 billion and allotments at ₦756.74 billion. Despite the liquidity drain from the auction, rates held firm at 26.5% due to offsetting inflows from ₦239.15 billion in maturing OMO bills. The Overnight Policy Rate (OPR) rose 8bps to 26.58%, while the Overnight Rate (O/N) rate climbed 21bps to 27.17%.

**Outlook:** Interbank rates are likely to hold steady at 26.5% tomorrow unless significant liquidity outflows materialize.

	SYS. LIQ. (₦BN)	Diff.
6-May-25	1,207.66	
5-May-25	1,299.26	↓ (91.60)

Source: CBN

### Treasury Bills

The Treasury bills market turned bearish at open, particularly for Mar/Apr OMO papers, following the OMO auction announcement. Holders tried to offload positions ahead of the issuance, but buyer interest stayed muted. Trading quieted as participants awaited the OMO results and prepared for the next day's NTB auction. The 315-day and 329-day tenors settled at 22.65% and 22.72% respectively, while the benchmark NTB mid-rate held steady at 19.60%.

**Outlook:** Market participants will concentrate on tomorrow's ₦550 billion NTB issuance across short- to long-term maturities.

Please see below, our expectation for tomorrow's NTB auction.

AUCTION DATE	TENOR	OFFER AMOUNT (₦)	LAST STOP RATE	EXPECTED STOP RATE RANGE
7-May-25	91-Day	50,000,000.00	18.000%	18.0000 - 18.4000
7-May-25	182-Day	100,000,000.00	18.500%	18.4500 - 18.9000
7-May-25	364-Day	400,000,000.00	19.600%	19.5000 - 19.9000

### BENCHMARK T-BILLS DISCOUNT RATES

	06-May-25	05-May-25	Change in Rates
93 DAYS	17.67%	17.67%	→ 0.00%
184 DAYS	19.10%	18.75%	↑ 0.35%
352 DAYS	19.33%	19.33%	→ 0.00%

Source: FMDQ DQL for 06-May-2025

### FGN Bonds

The bond market turned bearish as sellers dominated mid-tenor maturities (Feb 2031, May 2033, Jan 2035), while most participants remained sidelined. Trading activity dwindled through the session, leaving volumes thin and the benchmark mid-yield unchanged at 18.69%.

**Outlook:** The market mood will likely continue its recent pattern into tomorrow's session.

### BENCHMARK FGN BOND YIELDS

	06-May-25	05-May-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.43%	19.43%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	19.48%	19.53%	↓ -0.06%
13 YRS: 15.45% 21-JUN-2038	18.38%	18.37%	↑ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.05%	17.04%	↑ 0.01%

Source: FMDQ DQL for 06-May-2025

### Eurobonds

The Eurobonds market exhibited a mixed-to-bullish tone during the session, as initial bearish pressure on African sovereigns gradually shifted to buying interest. This reversal was driven by firmer crude oil prices and selective bargain-hunting ahead of tomorrow's Federal Reserve FOMC rate decision. By the close, the Nigerian Eurobond curve had strengthened, with the average mid-yield declining by 9 bps to settle at 10.33%.

**Outlook:** Attention tomorrow will firmly center on the Federal Reserve's decision.

BENCHMARK FGN EUROBOND YIELDS				
	06-May-25	05-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.87%	9.91%	↓	-0.04%
10 YRS: NGERIA 7.375% 09/29/31	10.67%	10.75%	↓	-0.08%
15 YRS: NGERIA 7.696% 23/02/31	10.77%	10.88%	↓	-0.11%
30 YRS: NGERIA 8.25% 09/29/51	11.24%	11.32%	↓	-0.08%
8.75% ETI 06/17/31*	9.46%	9.46%	→	0.00%
Source: FBN UK Runs for 06-May-2025				

### Nigerian Equities

The Nigerian equities market extended its bullish run as the All-Share Index climbed 156bps, bringing YTD returns to 5.28%. The rally was broad-based, with 42 gainers outpacing 25 losers, and strong performances across key sectors. Market momentum was driven by impressive gains in heavyweights like ETI, NESTLE, and NNFM (all +10%), alongside MTNN (+9.16%) and OKOMUOIL (+8.25%). Sector-wise, the Banking Index rose 160bps on strong showings from ETI, GTCO (+2.44%), and ZENITHBANK (+2.24%), despite minor dips in FIDELITYBK (-0.5%) and FCMB (-2.04%). Consumer and Oil & Gas indices also surged, gaining 175bps and 297bps respectively. BETAGLAS (+9.98%) and TRIPPLEG (+9.5%) supported gains in the Industrial Index. Value traded declined by 26.59% to \$8.64m, though activity was robust in banking tickers via notable crosses—45m ACCESSCORP at ₦21.20 and 27m GTCO at ₦63.60. Overall, market sentiment remained upbeat with institutional demand driving the day's rally.

**Outlook:** Tomorrow's trading session is likely to follow the same price trends observed today.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ETI	25.85	2.35	↑ 10.00%
NESTLE	1,210.00	110.00	↑ 10.00%
NNFM	82.50	7.50	↑ 10.00%
BETAGLAS	132.80	12.05	↑ 9.98%
AUSTINLAZ	1.88	0.17	↑ 9.94%
Source: NGX, AIICO Capital			

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
GUINEAINS	0.63	-0.06	↓ -8.70%
DAARCOMM	0.55	-0.04	↓ -6.78%
VFDGROUP	17.00	-1.20	↓ -6.59%
WAPIC	2.01	-0.13	↓ -6.07%
REGALINS	0.61	-0.03	↓ -4.69%
Source: NGX, AIICO Capital			

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.56%	↑ 2.29%	↑ 2.42%	↑ 5.28%
NSE BANKING INDEX	↑ 1.60%	↓ -2.98%	↓ -1.54%	↑ 3.71%
NSE INSURANCE INDEX	↓ -1.61%	↓ -1.66%	↓ -2.51%	↓ -8.48%
NSE INDUSTRIAL GOODS INDEX	↑ 0.08%	↑ 0.24%	↑ 0.23%	↓ -5.59%
NSE CONSUMER GOODS INDEX	↑ 1.75%	↑ 4.70%	↑ 6.82%	↑ 23.68%
NSE OIL & GAS INDEX	↑ 2.97%	↑ 5.49%	↑ 5.45%	↓ -8.45%

### Foreign Exchange

Demand in the interbank market stayed high amid constrained supply, with exporters serving as the primary source of foreign exchange. The USD/NGN pair moved within a range of \$/₦1,603.00 to \$/₦1,609.50. By session close, the Naira depreciated slightly by 6 basis points to settle at \$/₦1,606.6413.

**Outlook:** The Naira is expected to remain range-bound in the near term, supported by ongoing CBN market interventions.

NFEM RATE (\$/₦)		Diff.
6-May-25	1,606.6413	
5-May-25	1,605.6284	↑ 1.0129
Source: FMDQ		

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Commodities

Oil prices jumped nearly 4% on Tuesday, rebounding from a four-year low as demand signals from Europe and China improved, Middle East tensions rose, and bargain buyers returned following OPEC+’s decision to increase output. Brent crude climbed \$2.37, or 3.9%, to \$62.60 a barrel by 11:12 a.m. EDT, while U.S. West Texas Intermediate (WTI) rose \$2.42, or 4.2%, to \$59.55. Gold prices also advanced, reaching a two-week high on post-holiday demand from China and renewed worries over potential U.S. tariffs on pharmaceutical imports. Investors closely watched developments ahead of the Federal Reserve’s policy decision. Spot gold gained 1.9% to \$3,395.94 an ounce by 12:00 p.m. ET, after briefly touching a two-week peak near \$3,500.05.

**Outlook:** *Market participants are now assessing the implications of OPEC+’s decision to phase out supply cuts faster, while closely monitoring trade negotiations for potential deal breakthroughs.*

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)	38.08 (-6.83% YTD as of 05-May-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*62.60 (+2.85 d/d)
Source: NBS,CBN, AIICO Capital	

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	20.90
AIICO BALANCED FUND	6.92
AIICO EUROBOND FUND	7.18
As of April 27, 2025	

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