

DAILY MARKET INSIGHTS.



Wednesday, 07 May 2025

MARKET COMMENTARY

System Liquidity

Liquidity conditions stayed positive in the interbank market even after settling a ₦756.74 billion OMO auction, with rates remaining at subdued levels. The Overnight Policy Rate (OPR) softened slightly to 26.50% (-8bps), and the Overnight Rate (O/N) dipped to 26.95% (-22bps).

Outlook: In the absence of funding pressures from the NTB issuance or other market activity, tomorrow's rates should hold steady near today's levels.

SYS. LIQ. (₦BN)		Diff.
7-May-25	137.26	
6-May-25	1,207.66	↓(1,070.40)

Source: CBN

Treasury Bills

Trading was quiet in the treasury bills market today, with participants focused on the NTB auction bidding process. The secondary market experienced modest demand as investors targeted select maturities, resulting in minimal trade execution. The NTB mid-rate benchmark maintained its level at 19.60%.

Outlook: We anticipate the auction results will set the tone for tomorrow's trading session.

BENCHMARK T-BILLS DISCOUNT RATES			
	07-May-25	06-May-25	Change in Rates
92 DAYS	17.67%	17.67%	→ 0.00%
183 DAYS	19.10%	19.10%	→ 0.00%
351 DAYS	19.33%	19.33%	→ 0.00%

Source: FMDQ DQL for 07-May-2025

FGN Bonds

The bond market saw subdued activity amid focus on the NTB auction. Light retail-volume trading emerged selectively in longer-dated papers (Feb 2031s, Apr 2037s, Mar 2050s, Jun 2053s), while the broader curve remained quiet. The session closed with the benchmark mid-yield steady at 18.70%.

Outlook: The prevailing market tone will probably persist through tomorrow's session.

BENCHMARK FGN BOND YIELDS				
	07-May-25	06-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%	19.48%	→	0.00%
13 YRS: 15.45% 21-JUN-2038	18.38%	18.38%	→	0.00%
28 YRS: 15.70% 21-JUN-2053	17.05%	17.05%	→	0.00%

Source: FMDQ DQL for 07-May-2025

Eurobonds

African Eurobonds ended the day higher, lifted by stronger investor appetite for high-yield assets as doubts grow over when global rate cuts will materialize. With central banks—especially the Fed—avoiding firm signals, market participants are pivoting toward riskier emerging market debt for higher returns. This improved sentiment drove gains across the region's sovereign bonds. Nigeria's Eurobond curve firmed, with the average mid-yield dropping 4 bps to close at 10.29%.

Outlook: Fed Chair Jerome Powell's upcoming comments will be closely watched for policy insights, especially as pressure mounts from the U.S. president for the central bank to lower rates.

BENCHMARK FGN EUROBOND YIELDS				
	07-May-25	06-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.83%	9.87%	↓	-0.04%
10 YRS: NGERIA 7.375% 09/29/33	10.62%	10.67%	↓	-0.05%
15 YRS: NGERIA 7.696% 23/02/38	10.75%	10.77%	↓	-0.02%
30 YRS: NGERIA 8.25% 09/29/51	11.18%	11.24%	↓	-0.06%
8.75% ETI 06/17/31*	9.71%	9.46%	↑	0.25%

Source: FBN UK Runs for 07-May-2025

Nigerian Equities

The Nigerian equities market sustained its positive momentum as the All-Share Index (ASI) advanced by 45bps to 108,849.83 points , bringing YTD returns to 5.76%. Market breadth was strong with 50 gainers against 16 losers, reflecting bullish investor sentiment. MEYER and UPDCREIT led the gainers' chart (+10% each), while DEAPCAP (-10%) topped the laggards. The NGX Banking Index surged 212bps, driven by strong performances in ETI (+9.86%), GTCO (+3.85%), and ZENITHBANK (+2.08%). Similarly, the Consumer Goods Index rose 211bps, supported by VITAFOAM (+9.94%), CHAMPION (+9.89%), and NB (+3.52%). The Industrial Index edged up 15bps, while the Oil & Gas Index shed 160bps due to OANDO (-2.29%). Trading activity was vibrant with value traded increasing 34.25% to \$11.57m. GTCO dominated both the volume and value charts with notable crosses at ₦66.00 and ₦67.50. Overall, bullish crosses in tier-1 banks and consumer goods stocks shaped the day's positive close.

Outlook: The existing trend is expected to persist through tomorrow's session.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
MEYER	8.80	0.80	↑ 10.00%
BETAGLAS	146.05	13.25	↑ 9.98%
TIP	6.08	0.55	↑ 9.95%
VITAFOAM	55.85	5.05	↑ 9.94%
SKYAVN	55.40	5.00	↑ 9.92%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
DEAPCAP	1.08	-0.12	↓ -10.00%
VERITASKAP	1.00	-0.10	↓ -9.09%
LINKASSURE	1.13	-0.08	↓ -6.61%
AFRIPRUD	16.00	-0.95	↓ -5.60%
UPDC	3.00	-0.14	↓ -4.46%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.45%	↑ 2.88%	↑ 2.88%	↑ 5.76%
NSE BANKING INDEX	↑ 2.12%	↑ 0.54%	↑ 0.54%	↑ 5.91%
NSE INSURANCE INDEX	↓ -0.15%	↓ -2.65%	↓ -2.65%	↓ -8.62%
NSE INDUSTRIAL GOODS INDEX	↑ 0.15%	↑ 0.38%	↑ 0.38%	↓ -5.45%
NSE CONSUMER GOODS INDEX	↑ 2.11%	↑ 9.07%	↑ 9.07%	↑ 26.29%
NSE OIL & GAS INDEX	↓ -1.60%	↑ 3.76%	↑ 3.76%	↓ -9.91%

Foreign Exchange

The interbank market continued to face elevated demand alongside limited FX supply, with exporters remaining the main source of inflows. The USD/NGN pair traded between \$/₦1,605.01 and \$/₦1,615.00, while the Naira weakened slightly by 12 basis points to close at \$/₦1,608.6036.

Outlook: The currency is projected to maintain its current trading band in the short term, with CBN's active market participation providing support.

NFEM RATE (\$/₦)		Diff.
7-May-25	1,608.6036	
6-May-25	1,606.6413	↑ 1.9623

Source: FMDQ

Commodities

Oil prices dipped on Wednesday as investors shifted attention to upcoming U.S.-China trade talks, following a recent rebound from earlier losses. Brent crude futures fell 71 cents, or 1.14%, to \$61.44 a barrel by 12:00 p.m. ET, while U.S. West Texas Intermediate (WTI) crude dropped 66 cents, or 1.12%, to \$58.43 a barrel. Meanwhile, gold prices declined over 1%, pressured by a stronger dollar and renewed optimism surrounding trade discussions. Investors also remained cautious ahead of the Federal Reserve's policy decision later in the day. Spot gold slipped 1.3% to \$3,385.48 an ounce by 11:39 a.m. ET, while U.S. gold futures were down nearly 1% at \$3,392.80, extending declines from the previous session.

Outlook: Oil market volatility will likely continue as OPEC+ increases supply faster than anticipated, compounded by ongoing uncertainty in U.S. policymaking.

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)	38.10 (-6.81% YTD as of 06-May-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*61.44 (-1.16 d/d)

Source: NBS,CBN, AIICO Capital

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.75
AIICO BALANCED FUND	6.28
AIICO EUROBOND FUND	7.17

As of May 5, 2025

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