

DAILY MARKET INSIGHTS.



Monday, 12 May 2025

MARKET COMMENTARY

System Liquidity

Despite maintaining ample liquidity, the interbank market saw rates climb toward 27% following today's CBN outflows and FX settlements. The Overnight Policy Rate (OPR) rose 40bps to 26.90%, while the Overnight (O/N) rate increased 45bps to 27.45%.

Outlook: Interbank rates are likely to hold steady tomorrow unless significant liquidity shocks emerge.

SYS. LIQ. (₦BN)		Diff.
12-May-25	294.23	
9-May-25	684.79	↓ (390.57)

Source: CBN

Treasury Bills

The Treasury Bills market traded quietly but with a modest bullish bias during the session. While activity remained subdued overall, selective demand emerged at the long end of the curve, though limited by sparse offerings. Against this backdrop, the benchmark NTB mid-rate settled at 19.38% at the close.

Outlook: The prevailing market sentiment is likely to extend into tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES			
	12-May-25	09-May-25	Change in Rates
87 DAYS	17.81%	17.80%	↑ 0.01%
178 DAYS	18.36%	18.36%	↑ 0.00%
360 DAYS	19.37%	19.30%	↑ 0.07%

Source: FMDQ DQL for 12-May-2025

FGN Bonds

The local bond market opened the week with subdued activity, though limited trading emerged in select tenors—particularly the Feb 2031s, May 2033s, and Jun 2053s. Despite the quiet session, the benchmark mid-yield closed steady at an average of 18.38%. In other news, The DMO has opened subscriptions for a ₦300 billion 7-Year Ijarah Sukuk (May 2032 maturity) at a 19.75% rental rate. The offer period runs from today through May 20th.

Outlook: We anticipate today's trading sentiment will persist through tomorrow.

BENCHMARK FGN BOND YIELDS

	12-May-25	09-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	19.60%	19.60%	→ 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 12-May-2025

Eurobonds

African Eurobonds strengthened across the board today, with particularly robust gains in oil-linked issuers (Nigeria and Angola) and North African sovereigns. The rally followed a 90-day U.S.-China tariff truce that provided temporary relief to commodity markets after weeks of trade tensions weighed on global growth prospects. Under the agreement, China will lower tariffs on U.S. goods to 10% (from 125%), while the U.S. will reduce its duties to 30% (from 145%). Nigeria's curve outperformed, with average yields tightening 37 bps to close at 9.87%.

Outlook: The bullish tone will likely persist as traders price in the progress made during the latest round of U.S.-China trade talks.

BENCHMARK FGN EUROBOND YIELDS				
	12-May-25	09-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.39%	9.63%	↓	-0.24%
10 YRS: NGERIA 7.375% 09/29/31	10.27%	10.60%	↓	-0.33%
15 YRS: NGERIA 7.696% 23/02/31	10.46%	10.75%	↓	-0.29%
30 YRS: NGERIA 8.25% 09/29/51	10.78%	11.12%	↓	-0.34%
8.75% ETI 06/17/31*	9.10%	9.60%	↓	-0.50%

Source: FBN UK Runs for 12-May-2025

Nigerian Equities

The Nigerian equities market closed in the red as the All-Share Index (ASI) declined by 43bps to 108,261.47 points, trimming year-to-date gains to 5.18%. Market breadth was mixed, with 39 gainers against 26 losers. SMURFIT, MEYER, and MULTIVERSE led the gainers’ chart with 10% each, while ETRANZACT (-10%) topped the laggards. Sentiment was largely muted across sectors, with the NGX Banking Index down 24bps due to losses in FCMB (-3.12%), FIDELITYBK (-2%), and ZENITHBANK (-0.2%). The Consumer Goods Index also shed 54bps on declines in NB (-2.46%) and DANGSUGAR (-2.26%). The Oil & Gas and Industrial indices fell 63bps and 62bps respectively, mostly due to markdowns for dividends. MTNN, which fell 2.07%, was the biggest drag on the ASI, despite strong crossing activity (10m units at ₦270.00 and 3.8m at ₦279.00). Overall, value traded dipped by 4.01% to \$6.68m, highlighting a subdued session with cautious investor tone.

Outlook: Market sentiment is expected to trade on a mixed note in tomorrow's trading session.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
MEYER	8.80	0.80	↑ 10.00%
MULTIVERSE	11.00	1.00	↑ 10.00%
BETAGLAS	176.70	16.05	↑ 9.99%
HMCALL	4.67	0.42	↑ 9.88%
ABBEYBDS	7.69	0.69	↑ 9.86%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ETRANZACT	5.40	-0.60	↓ -10.00%
JOHNHOLT	5.25	-0.55	↓ -9.48%
UNIONDICON	7.65	-0.80	↓ -9.47%
CILEASING	3.86	-0.35	↓ -8.31%
LINKASSURE	1.14	-0.10	↓ -8.06%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.43%	↑ 1.46%	↑ 2.33%	↑ 5.18%
NSE BANKING INDEX	↓ -0.24%	↑ 4.54%	↑ 1.31%	↑ 6.71%
NSE INSURANCE INDEX	↑ 0.29%	↓ -1.37%	↓ -2.27%	↓ -8.26%
NSE INDUSTRIAL GOODS INDEX	↓ -0.62%	↑ 0.40%	↑ 0.55%	↓ -5.29%
NSE CONSUMER GOODS INDEX	↓ -0.54%	↑ 1.89%	↑ 6.97%	↑ 23.86%
NSE OIL & GAS INDEX	↓ -0.63%	↑ 0.74%	↑ 3.16%	↓ -10.44%

Foreign Exchange

Foreign exchange liquidity improved in the interbank market, supported by inflows from foreign portfolio investors and export proceeds. The Naira gained modest ground, appreciating 36 bps to close at \$/₦1,600.4396, with intraday trading confined to a narrow range of \$/₦1,595 - \$/₦1,605.05. Market sentiment benefited from the temporary U.S.-China tariff reduction agreement and a 3%+ rally in oil prices, which boosted interest in local assets.

Outlook: We expect the exchange rate to remain range-bound.

NFEM RATE (\$/₦)		Diff.
8-May-25	1,609.6357	
7-May-25	1,608.6036	↑ 1.0321

Source: FMDQ

Commodities

Crude oil prices climbed over 1% on Monday after the U.S. and China agreed to cut tariffs, easing trade tensions between the world’s top oil consumers. U.S. crude rose 93 cents to \$61.95 per barrel, while Brent gained \$1.05 to settle at \$64.96. Earlier in the day, both had surged nearly 4%. Meanwhile, gold prices dropped sharply as investor appetite for risk returned. Spot gold fell 3% to \$3,225.28 an ounce, while U.S. gold futures declined 3.5% to \$3,228. The drop followed the announcement of the temporary trade deal, reducing demand for gold as a safe-haven asset.

Outlook: Crude price volatility is expected to persist, driven by OPEC+’s accelerated supply ramp-up and lingering U.S. policy unpredictability.

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)	38.12 (-6.74% YTD as of 09-May-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*64.96 (+1.05 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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