

DAILY MARKET INSIGHTS.



Tuesday, 20 May 2025

MARKET COMMENTARY

System Liquidity

The MPC concluded its two-day meeting today, keeping all policy parameters unchanged. Meanwhile, system liquidity received a boost from ₦1.14 trillion in OMO maturities, which led the CBN to issue a ₦500 billion OMO auction across two mid-tenor papers. Consequently, the auction attracted robust demand, recording ₦743.25 billion in subscriptions and ₦655.25 billion in allotments. Nevertheless, interbank rates remained stable at 26.5%, with both the Overnight Policy Rate (OPR) and Overnight (O/N) rate holding firm at 26.50% and 26.95% respectively.

Outlook: Interbank rates will likely hold steady at present levels barring any significant liquidity disruptions..

	SYS. LIQ. (₦'BN)	Diff.
19-May-25	438.93	
19-May-25	438.93	→ 0.00

Source: CBN

Treasury Bills

The T-bills market remained subdued, largely due to today's OMO auction where ₦500 billion was offered across 182-day (23.77%) and 210-day (23.98%) tenors. Despite the muted activity, some movement occurred on the long-end OMO curve, particularly in the 31-Mar and 14-Apr bills, along with limited trading in the 7-May NTB. The session closed with the benchmark NTB mid-rate declining 9bps to 19.66%.

Outlook: Market participants will concentrate on tomorrow's ₦500 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
21-May-25	91-Day	50,000,000.00	18.000%	17.8500 - 18.0500
21-May-25	182-Day	100,000,000.00	18.500%	18.3500 - 18.7000
21-May-25	364-Day	350,000,000.00	19.630%	19.3000 - 19.7000

BENCHMARK T-BILLS DISCOUNT RATES

	20-May-25	19-May-25	Change in Rates
93 DAYS	17.94%	17.94%	→ 0.00%
184 DAYS	19.28%	19.28%	→ 0.00%
352 DAYS	19.35%	19.35%	→ 0.00%

Source: FMDQ DQL for 20-May-2025

FGN Bonds

The local bond market remained quiet, though modest trading emerged in mid-dated tenors—particularly the Mar 2027s, Feb 2031s, May 2033s, and Jan 2035s. The benchmark mid-yield closed at 18.87%, reflecting the session's limited activity.

Outlook: The current market tone is expected to extend into tomorrow's session.

BENCHMARK FGN BOND YIELDS

	20-May-25	19-May-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.46%	19.46%	→ 0.00%
10 YRS: 22.60% 29-JAN-2035	19.44%	19.44%	→ 0.00%
13 YRS: 15.45% 21-JUN-2038	18.38%	18.38%	→ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.08%	17.08%	→ 0.00%

Source: FMDQ DQL for 20-May-2025

Eurobonds

African Eurobonds exhibited a cautiously optimistic tone following Federal Reserve officials' policy remarks, though early gains tapered by session close, leaving most papers unchanged. Notably, Nigeria's sovereign curve strengthened, with average yields tightening 6 bps to 9.64%.

Outlook: A cautiously positive tone may prevail in tomorrow's session.

BENCHMARK FGN EUROBOND YIELDS				
	20-May-25	19-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.92%	9.00%	↓	-0.08%
10 YRS: NGERIA 7.375% 09/29/31	10.10%	10.17%	↓	-0.07%
15 YRS: NGERIA 7.696% 23/02/31	10.29%	10.29%	→	0.00%
30 YRS: NGERIA 8.25% 09/29/51	10.71%	10.74%	↓	-0.03%
8.75% ETI 06/17/31*	9.74%	9.74%	→	0.00%

Source: FBN UK Runs for 20-May-2025

Nigerian Equities

The Nigerian equities market closed slightly positive as the All-Share Index (ASI) gained 3bps to close at 109,730.47 points, pushing the YTD return to 6.61%. Market breadth was slightly negative, with 31 gainers versus 32 losers. TRIPPLEG, REGALINS, and NESTLE led the gainers' chart with 10% each, while BERGER (-9.98%) topped the losers. Sectoral performance was mixed: the NGX Consumer Goods Index surged 250bps, buoyed by strong gains in NESTLE, UNILEVER, and VITAFOAM. However, the Oil and Gas Index declined sharply by 288bps on losses in ARADEL (-8.55%) and OANDO. The Banking Index lost 35bps due to weakness in FIDELITYBK (-5.00%) and WEMABANK, despite gains in GTCO and ETI. The Industrial Index gained marginally (+3bps), supported by TRIPPLEG and CAP. Value traded rose by 16.09% to \$8.29m, driven by notable block trades including 5m ARADEL at ₦460.00 and 6.3m UBA at ₦34.50. Overall, investor sentiment remained cautious but supported by selective buying in key consumer names.

Outlook: We expect the mixed sentiments to sustain in tomorrow's session.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.03%	↑ 0.89%	↑ 3.71%	↑ 6.61%
NSE BANKING INDEX	↓ -0.35%	↑ 0.12%	↑ 1.64%	↑ 7.06%
NSE INSURANCE INDEX	↑ 1.41%	↑ 3.28%	↑ 1.82%	↓ -4.42%
NSE INDUSTRIAL GOODS INDEX	↑ 0.03%	↑ 0.83%	↑ 1.52%	↓ -4.38%
NSE CONSUMER GOODS INDEX	↑ 2.50%	↑ 7.11%	↑ 16.52%	↑ 34.91%
NSE OIL & GAS INDEX	↓ -2.88%	↓ -2.24%	↑ 1.68%	↓ -11.72%

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
NESTLE	1464.10	133.10	↑ 10.00%
REGALINS	0.66	0.06	↑ 10.00%
TRIPPLEG	2.20	0.20	↑ 10.00%
TANTALIZER	2.78	0.25	↑ 9.88%
MULTIVERSE	9.70	0.85	↑ 9.60%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
BERGER	23.55	-2.61	↓ -9.98%
MBENEFIT	1.02	-0.11	↓ -9.80%
MBENEFIT	2.66	-0.29	↓ -9.77%
ARADEL	503.00	-47.03	↓ -8.55%
CAVERTON	4.09	-0.31	↓ -7.09%

Source: NGX, AIICO Capital

Foreign Exchange

The Naira strengthened relative to the previous day's levels, driven by improved dollar liquidity, largely supported by central bank intervention. During the session, the USD/NGN pair traded within \$/₦1,560.00 to \$/₦1,591.00.

Outlook: The Naira is expected to maintain its current trading range in the near term.

NFEM RATE (\$/₦)		Diff.
19-May-25	1,598.6885	
19-May-25	1,598.6885	→ 0.0000

Source: FMDQ

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (APRIL 2025)	23.71% (Mar'25: 24.23%)
EXTERNAL RESERVE (US\$BILLION)	38.50 (-5.81% YTD as of 19-May-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*65.38 (-0.01 d/d)

Source: NBS,CBN, AIICO Capital

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Commodities

Oil prices remained mostly flat on Tuesday as markets weighed uncertainty surrounding U.S.-Iran nuclear talks and Russia-Ukraine peace negotiations. Additionally, cautious economic data from China, the world’s largest crude importer, dampened sentiment. Brent crude futures dropped 16 cents, or 0.2%, to \$65.38 a barrel, while U.S. West Texas Intermediate (WTI) crude fell 13 cents, also 0.2%, to \$62.56. Meanwhile, gold prices gained over 1% as a weakening U.S. dollar and falling stock markets boosted safe-haven demand amid ongoing geopolitical and tariff policy uncertainty. Spot gold climbed 1.7% to \$3,284.74 an ounce, and U.S. gold futures ended 1.6% higher at \$3,284.60.

Outlook: *A near-term end to the war seems unlikely. Should peace occur, Russia’s ability to ramp up oil exports would be delayed by logistical factors and limited by its OPEC+ commitments.*

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.04
AIICO BALANCED FUND	8.99
AIICO EUROBOND FUND	6.33

As of May 19, 2025

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