

DAILY MARKET INSIGHTS.



Thursday, 22 May 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity improved sharply at the open and remained liquid despite the settlement of the NTB auction, keeping rates steady at 26.50%. The Overnight Policy Rate (OPR) held at 26.50%, while the Overnight (O/N) rate edged up 6 bps to 26.96%.

Outlook: We expect rates to remain stable at present levels barring major funding shocks.

	SYS. LIQ. (₱BN)	Diff.
22-May-25	784.53	
21-May-25	52.48	↑ 732.05

Source: CBN

Treasury Bills

Today's secondary market saw improved activity as unmet demand from yesterday's NTB auction spilled over. The new 1-year bill traded at 19.30%, while limited offers constrained trading on long-end OMO papers. Only a few deals were completed, mainly on Feb, Mar, and May tenors. At yesterday's auction, the DMO offered ₱500 billion across 91-day, 182-day, and 364-day tenors. The auction was oversubscribed by c.₱671.58 billion, with the DMO allotting c.₱115.80 billion more than planned. Stop rates held steady for 91-day and 182-day bills but dipped 7bps to 19.56% for the 364-day tenor. By session close, the benchmark NTB mid-rate fell 5bps to 19.47%.

Outlook: We expect the market to remain mixed to bullish.

BENCHMARK T-BILLS DISCOUNT RATES

	22-May-25	21-May-25	Change in Rates
91 DAYS	17.67%	17.94%	↓ -0.27%
182 DAYS	18.25%	19.28%	↓ -1.03%
350 DAYS	19.35%	19.35%	→ 0.00%

Source: FMDQ DQL for 22-May-2025

NTB AUCTION RESULT - 21 May 2025

AUCTION DATE	21-May-25		
	SETTLEMENT DATE		
SETTLEMENT DATE	22-May-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	21-Aug-25	20-Nov-25	21-May-26
OFFER AMOUNT (₱BN)	50.0000	100.0000	350.0000
SUBSCRIPTION AMOUNT (₱BN)	72.5601	46.8402	1,052.1802
ALLOTMENT AMOUNT (₱BN)	71.6681	41.1345	503.0013
RANGE OF BIDS	17.50% - 20.00%	18.00% - 20.00%	18.90% - 26.00%
CURRENT STOP RATE: DISCOUNT (YIELD)	18.00% (18.846%)	18.500% (20.380%)	19.560% (24.300%)
LAST STOP RATE: DISCOUNT (YIELD)	18.000% (18.846%)	18.500% (20.380%)	19.630% (24.408%)
CHANGE: DISCOUNT (YIELD)	+0.000% (+0.000%)	+0.000% (+0.000%)	-0.070% (-0.108%)

FGN Bonds

The local bond market remained quiet with limited activity, as bearish sentiment drove most trading to the Feb 2031s, May 2033s, Jan 2035s, and Jun 2038s tenors. The DMO announced a ₱300 billion May 2025 bond offering (₱100 billion for 19.30% Apr 2029s and ₱200 billion for 19.89% May 2033s), keeping traders cautious ahead of next Monday's auction. The session closed with the benchmark mid-yield at 18.78%.

Outlook: We expect the current trading pattern to continue tomorrow.

BENCHMARK FGN BOND YIELDS

	22-May-25	21-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	19.07%	19.44%	↓ -0.37%
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 22-May-2025

Eurobonds

African Eurobonds opened weaker amid broad macro pressures. Similarly, US Treasuries sold off after a poor 20-year auction and concerns about deficit-expanding tax proposals, pushing 30-year yields to a 20-year high of 5.1%. Oil prices fell (Brent c.\$64) as OPEC+ discussed boosting production by 400K bpd in June—triple initial plans—adding to demand concerns from trade tensions. Meanwhile, US jobless claims beat expectations (227K vs. 230K est.). Late buying emerged after Fed’s Waller hinted at H2 rate cuts, but Nigerian bonds still closed 9bps higher at 9.67% average yield.

Outlook: Market sentiment is likely to stay mixed in the near term, with few selective bargain hunting anticipated.

BENCHMARK FGN EUROBOND YIELDS

	22-May-25	21-May-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.00%	8.88%	↑ 0.12%
10 YRS: NGERIA 7.375% 09/29/31	10.10%	10.07%	↑ 0.03%
15 YRS: NGERIA 7.696% 23/02/31	10.34%	10.21%	↑ 0.13%
30 YRS: NGERIA 8.25% 09/29/51	10.85%	10.69%	↑ 0.16%
8.75% ETI 06/17/31*	9.76%	9.75%	↑ 0.01%

Source: FBN UK Runs for 22-May-2025

Nigerian Equities

The Nigerian equities market extended its losing streak as the All-Share Index (ASI) declined by 40bps to close at 109,183.02 points, reducing YTD returns to 6.08%. Market breadth remained negative with 23 gainers against 34 losers. UHOMREIT (+9.97%) led the gainers, while MAYBAKER and CHELLARAM (-9.96% each) topped the losers’ chart. Sentiment was broadly bearish across key sectors. The NGX Banking Index fell 108bps due to selloffs in FIDELITYBK (-6.97%), UBA, ACCESSCORP, and GTCO. The Consumer Goods Index lost 141bps on weakness in DANGSUGAR (-5.91%) and NB (-4.69%). The Industrial Index shed 1bp, while the Oil and Gas Index closed flat. Trading activity was robust, with value traded up 46.96% to \$12.01m, buoyed by large crosses including 45m UBA, 11m WAPCO, and 35m CUSTODIAN. ROYALEX dominated the volume chart with 903.59m units, while FIDELITYBK led value with ₦2.42b. Pressure from key decliners such as TRANSCORP, FIDELITYBK, and DANGSUGAR weighed heavily on market performance.

Outlook: With no positive catalysts in sight, stocks could extend today’s losses tomorrow.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.40%	↓ -0.26%	↑ 3.20%	↑ 6.08%
NSE BANKING INDEX	↓ -1.08%	↓ -2.53%	↓ -0.29%	↑ 5.03%
NSE INSURANCE INDEX	↓ -1.68%	↑ 2.51%	↑ 1.25%	↓ -4.96%
NSE INDUSTRIAL GOODS INDEX	↓ -0.01%	↑ 0.51%	↑ 1.39%	↓ -4.50%
NSE CONSUMER GOODS INDEX	↓ -1.41%	↑ 3.61%	↑ 15.44%	↑ 33.66%
NSE OIL & GAS INDEX	→ 0.00%	↓ -3.25%	↑ 1.19%	↓ -12.14%

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
REDSTAREX	6.10	0.55	↑ 9.91%
RTBRISCOE	2.29	0.20	↑ 9.57%
SOVRENINS	1.05	0.09	↑ 9.38%
CUSTODIAN	21.80	1.80	↑ 9.00%
ETRANZACT	6.80	0.50	↑ 7.94%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
MAYBAKER	11.75	-1.30	↓ -9.96%
CHELLARAM	11.75	-1.30	↓ -9.96%
LINKASSURE	1.46	-0.16	↓ -9.88%
OMATEK	0.62	-0.06	↓ -8.82%
MCNICHOLS	2.10	-0.20	↓ -8.70%

Source: NGX, AIICO Capital

Foreign Exchange

The interbank NFEM market held steady, with the USD/NGN pair fluctuating between \$/₦1,582.00 and \$/₦1,588.50. By the close of trading, the Naira weakened slightly, depreciating by 3 basis points to settle at \$/₦1,584.9542.

Outlook: Near-term, the exchange rate should hold steady near current values.

NFEM RATE (\$/₦)	Diff.
22-May-25	1,584.9542
21-May-25	1,584.4966

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)	38.54 (-5.71% YTD as of 21-May-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*64.25 (-1.01 d/d)

Source: NBS,CBN, AIICO Capital

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Commodities

Oil prices declined on Thursday amid investor concerns that global supply may exceed demand following reports that OPEC+ is considering a production hike for July. Brent crude dropped 66 cents, or 1.02%, to \$64.25 per barrel, while U.S. West Texas Intermediate fell 51 cents, or 0.83%, to \$61.06 by early afternoon. Meanwhile, gold prices reversed gains as the U.S. dollar strengthened, and investors took profits after prices hit a two-week high earlier in the session. Spot gold slipped 0.6% to \$3,295.21 an ounce by 12:16 p.m. ET, after climbing earlier to its highest level since May 9 before retreating.

Outlook: *We expect the Oil prices to remain volatile in the interim.*

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.10
AIICO BALANCED FUND	11.74
AIICO EUROBOND FUND	6.96

As of May 21, 2025

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