

DAILY MARKET INSIGHTS.



Tuesday, 27 May 2025

MARKET COMMENTARY

System Liquidity

The interbank market remained flush with liquidity following today's ₦984.22 billion OMO maturity inflow. As a result, rates held steady near 26.5%, with the Overnight Policy Rate (OPR) unchanged at 26.50% and the Overnight (O/N) rate rising modestly by 11 bps to 26.89%.

Outlook: Interbank rates are expected to hold steady at 26.5% tomorrow, even with the ₦300.69 billion FGN bond settlement and the upcoming OMO auction.

SYS. LIQ. (₦'BN)	Diff.
27-May-25	2,296.61
26-May-25	2,030.46
	↑ 266.15

Source: CBN

Treasury Bills

The T-bills market saw increased trading today with a bullish bias, particularly on the 11-Nov, 9-Dec, and 3/5-Mar OMO bills, alongside the 3-Mar and 7/21-May NTBs. While activity remained selective, the benchmark NTB mid-rate edged down 4bps to close at 19.44%.

Outlook: We expect sustained bullish sentiment in the interim.

BENCHMARK T-BILLS DISCOUNT RATES	27-May-25	26-May-25	Change in Rates
86 DAYS	17.55%	17.63%	↓ -0.07%
177 DAYS	18.20%	18.25%	↓ -0.05%
345 DAYS	19.22%	19.35%	↓ -0.13%

Source: FMDQ DQL for 27-May-2025

FGN Bonds

Today's session saw heightened activity following yesterday's bond auction, where the DMO offered ₦300 billion (₦100 billion in April 2029s and ₦200 billion in May 2033s). Demand exceeded supply, with ₦436.41 billion in subscriptions against ₦300.69 billion allotted. Stop rates declined marginally, settling at 18.98% (-2bps) for the 2029s and 19.849% (-14.10bps) for the 2033s, as unmet auction demand spilled into secondary trading. The 2033s and 2034s saw the most activity, though bids for the 2029s remained sparse. The benchmark mid-yield ultimately fell 6bps to close at 18.67%.

Outlook: Bullish conditions are likely to persist in tomorrow's market activity.

BENCHMARK FGN BOND YIELDS

	27-May-25	26-May-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.48%	19.46%	↑ 0.02%
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	17.07%	17.07%	↑ 0.00%

Source: FMDQ DQL for 27-May-2025

Eurobonds

Trading was mixed today, initially supported by: (1) improved US-EU trade prospects (Trump delayed 50% EU tariffs), and (2) a May rebound in US consumer confidence. However, gains were pared by concerns over OPEC+'s aggressive production hikes, which may lead to oversupply through 2026. Despite the volatility, Nigeria's Eurobonds strengthened, with average yields tightening 13bps to 9.60%.

Outlook: We expect the market to remain mixed in tomorrow's session.

BENCHMARK FGN EUROBOND YIELDS				
	27-May-25	26-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.88%	9.04%	↓	-0.16%
10 YRS: NGERIA 7.375% 09/29/31	10.07%	10.20%	↓	-0.13%
15 YRS: NGERIA 7.696% 23/02/31	10.30%	10.40%	↓	-0.10%
30 YRS: NGERIA 8.25% 09/29/51	10.72%	10.83%	↓	-0.11%
8.75% ETI 06/17/31*	9.89%	9.89%	→	0.00%
Source: FBN UK Runs for 27-May-2025				

Nigerian Equities

The Nigerian equities market extended its bullish run, with the All-Share Index (ASI) climbing 157bps to close at 111,606.22 points, closing 8.43% higher year-to-date. The rally was primarily driven by a strong 10% gain in AIRTELAFRI, which contributed significantly to market capitalization gains. Market breadth was positive with 36 gainers and 21 losers. Sector performance was broadly upbeat: the NGX Banking Index rose 84bps, supported by advances in GTCO (+2.05%), FIDELITYBK (+1.65%), and UBA (+1.31%). The Consumer Goods Index added 13bps on NASCON and NB, while the Oil and Gas Index rose 141bps led by ARADEL (+4.76%). The Industrial Index gained 46bps on WAPCO (+3.09%). CUSTODIAN led volume with 37.59m units, while GTCO topped value at ₦1.57 billion. Value traded dipped by 11.04% to \$6.21m. Though activity was moderate and crosses were few, sentiment remained mixed. Nonetheless, AIRTELAFRI’s performance anchored the day’s rally, lifting the broader index significantly.

Outlook: We anticipate a cautiously optimistic tone across most markets tomorrow, though sentiment may vary by sector.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
AIRTELAFRI	2372.50	215.68	↑ 10.00%
OMATEK	0.71	0.06	↑ 9.23%
CORNERST	3.40	0.27	↑ 8.63%
NAHCO	80.75	6.25	↑ 8.39%
UPL	5.10	0.31	↑ 6.47%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
MCNICHOLS	2.21	-0.24	↓ -9.80%
CWG	9.05	-0.95	↓ -9.50%
CHAMPION	6.90	-0.55	↓ -7.38%
REDSTAREX	6.40	-0.31	↓ -4.62%
JAIZBANK	3.21	-0.15	↓ -4.46%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.57%	↑ 1.71%	↑ 5.49%	↑ 8.43%
NSE BANKING INDEX	↑ 0.84%	↑ 0.38%	↑ 2.02%	↑ 7.46%
NSE INSURANCE INDEX	↑ 2.23%	↓ -0.09%	↑ 1.73%	↓ -4.51%
NSE INDUSTRIAL GOODS INDEX	↑ 0.46%	↑ 0.97%	↑ 2.50%	↓ -3.45%
NSE CONSUMER GOODS INDEX	↑ 0.13%	↑ 0.45%	↑ 17.05%	↑ 35.52%
NSE OIL & GAS INDEX	↑ 1.41%	↑ 3.01%	↑ 4.74%	↓ -9.07%

Foreign Exchange

The interbank NAFEM market remained bid amid heightened demand for FX and constrained dollar supply. The USD/NGN pair traded between \$/₦1,581.92 and \$/₦1,591.00 during the session. Consequently, the Naira depreciated by 27 bps to close at \$/₦1,583.7388.

Outlook: Barring major shocks, the Naira should trade within current range.

NFEM RATE (\$/₦)		Diff.
27-May-25	1,583.7388	
26-May-25	1,579.4080	↑ 4.3308
Source: FMDQ		

Commodities

Oil prices declined on Tuesday amid growing expectations that OPEC+ will agree to raise production levels at an upcoming meeting. Brent crude fell 65 cents, or 1%, to close at \$64.09 per barrel, while U.S. West Texas Intermediate (WTI) dropped 64 cents, or 1.04%, to end at \$60.89. Monday’s WTI settlement was skipped due to the Memorial Day holiday. Meanwhile, gold prices fell for the second straight session as improved risk sentiment followed President Trump's decision to delay tariffs on the EU. Spot gold declined 1.2% to \$3,302.10 an ounce after posting nearly 5% gains the previous week.

Outlook: Sources indicate OPEC+ will likely approve a 411,000-bpd output hike for July during the meeting, maintaining its gradual supply return.

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)	38.53 (-5.74% YTD as of 26-May-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*64.09 (-0.65 d/d)
Source: NBS,CBN, AIICO Capital	

Important Disclaimers

This document has been issued and approved by AIICO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction. Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AIICO Capital clients who are then expected to make their own investment decisions. AIICO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AIICO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AIICO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance. AIICO Capital is regulated by the Securities and Exchange Commission and is licensed to provide fund and portfolio management services in Nigeria.