

DAILY MARKET INSIGHTS.



Wednesday, 28 May 2025

MARKET COMMENTARY

System Liquidity

System liquidity surged following yesterday's inflows (₦984.22B OMO maturities, 13% derivation funds, and state disbursements). Today, the CBN moved to absorb excess liquidity via a ₦600 billion OMO auction (mid-tenor), which saw ₦687.13 billion in bids and ₦482.33 billion allotted. Despite this sterilization effort and the ₦300.69 billion FGN bond settlement, interbank rates held firm at 26.5%, with the Overnight Policy Rate (OPR) steady at 26.50% and the Overnight (O/N) rate easing 3bps to 26.86%.

Outlook: In the absence of significant funding pressures, rates are expected to remain stable at current levels tomorrow.

	SYS. LIQ. (₦'BN)	Diff.
28-May-25	2,091.66	
27-May-25	2,296.61	↓ (204.94)

Source: CBN

FGN Bonds

The FGN bonds market traded quietly, with generally weak demand across the curve. Notable activity was observed in the April 2029, February 2031, May 2033, and April 2049 maturities, where a few trades were executed. By session close, the benchmark mid-yield declined by 6 bps to 18.61%.

Outlook: Bullish sentiment is expected to continue in tomorrow's trading session.

	28-May-25	27-May-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.13%	19.48%	↓ -0.35%
10 YRS: 22.60% 29-JAN-2035	19.35%	19.44%	↓ -0.09%
13 YRS: 15.45% 21-JUN-2038	18.39%	18.38%	↑ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.07%	17.07%	↑ 0.00%

Source: FMDQ DQL for 28-May-2025

Treasury Bills

The bills secondary market had a relatively calm session, influenced by the OMO auction conducted today. Activity was concentrated at the long end of the NTB curve, with the 7/21 May bill trading actively around the 19.10% level. There was also demand on the OMO curve, especially for the December, March, and April maturities. The CBN floated another OMO auction, offering ₦600 billion across 104-day and 139-day tenors. Total subscriptions reached ₦687.13 billion, with ₦482.33 billion allotted. Stop rates printed at 23.60% and 24.98%, slightly up from 23.59% and 24.50% at the previous auction. Overall, the benchmark NTB mid-rate declined by 5 bps to close at 19.39%.

Outlook: We expect sustained bullish sentiment in the interim.

BENCHMARK T-BILLS DISCOUNT RATES

	28-May-25	27-May-25	Change in Rates
85 DAYS	17.55%	17.55%	→ 0.00%
176 DAYS	18.20%	18.20%	→ 0.00%
344 DAYS	19.14%	19.22%	↓ -0.08%

Source: FMDQ DQL for 28-May-2025

Eurobonds

The African Eurobonds experienced a mixed to bullish session amid the Fed minutes released which showed that "almost all" of the 19 officials that participate in the Fed's meetings on policy saw a risk that "inflation could prove to be more persistent than expected." The policymakers showed greater concerns about higher inflation than rising unemployment, the minutes showed, a key reason they left rates unchanged. Overall, Nigeria's Eurobonds strengthened, with average yields declining by 5bps to 9.55%.

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

BENCHMARK FGN EUROBOND YIELDS				
	28-May-25	27-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.80%	8.88%	↓	-0.08%
10 YRS: NGERIA 7.375% 09/29/31	10.13%	10.07%	↑	0.06%
15 YRS: NGERIA 7.696% 23/02/31	10.24%	10.30%	↓	-0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.76%	10.72%	↑	0.04%
8.75% ETI 06/17/31*	9.64%	9.89%	↓	-0.25%
Source: FBN UK Runs for 28-May-2025				

Nigerian Equities

The Nigerian equities market maintained its upward momentum, as the All-Share Index (ASI) advanced by 27bps to close at 111,902.61 points, pushing year-to-date returns to 8.72%. Market breadth was positive with 39 gainers and 28 losers. UPL and LEARNAFRCA led the gainers’ chart with 10% each, while ACADEMY shed 10% to top the laggards. Sector performance was mixed: the NGX Banking Index dipped 10bps on losses in WEMABANK, UBA, and GTCO, though ACCESSCORP, ETI, and FCMB posted gains. The Consumer Goods Index gained 96bps, buoyed by strong performances in NNFM, HONYFLOUR, and DANGSUGAR. The Oil and Gas Index edged up 24bps on OANDO, while the Industrial Index added 5bps driven by CUTIX and WAPCO. Trading activity was robust, with value traded surging 73.41% to \$10.75 million. MTNN dominated value trades with ₦4.86 billion, while JAPAUFGOLD led volumes at 58.9 million units. Sentiment remained upbeat, supported by broad-based buying, particularly in small-cap counters.

Outlook: We anticipate continued market participation tomorrow, sustaining today's momentum.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
LEARNAFRCA	4.51	0.41	↑ 10.00%
UPL	5.61	0.51	↑ 10.00%
NNFM	130.55	11.85	↑ 9.98%
HONYFLOUR	21.00	1.90	↑ 9.95%
OMATEK	0.78	0.07	↑ 9.86%
Source: NGX, AIICO Capital			

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
ACADEMY	4.05	-0.45	↓ -10.00%
ABBEYBDS	6.87	-0.76	↓ -9.96%
SKYAVN	59.80	-6.60	↓ -9.94%
ENAMELWA	22.80	-2.50	↓ -9.88%
MULTIVERSE	8.05	-0.85	↓ -9.55%
Source: NGX, AIICO Capital			

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.27%	↑ 2.08%	↑ 5.77%	↑ 8.72%
NSE BANKING INDEX	↓ -0.10%	↑ 1.10%	↑ 1.92%	↑ 7.35%
NSE INSURANCE INDEX	↑ 0.46%	↓ -0.76%	↑ 2.19%	↓ -4.07%
NSE INDUSTRIAL GOODS INDEX	↑ 0.05%	↑ 1.14%	↑ 2.56%	↓ -3.40%
NSE CONSUMER GOODS INDEX	↑ 0.96%	↑ 0.93%	↑ 18.17%	↑ 36.83%
NSE OIL & GAS INDEX	↑ 0.24%	↑ 3.75%	↑ 4.99%	↓ -8.85%

Foreign Exchange

The interbank NFEM market remained stable amid subdued volatility. During the session, the USD/NGN pair traded within a range of \$/₦1,589.50 to \$/₦1,595.00. As a result, the Naira weakened by 44 bps, closing at \$/₦1,590.7471.

Outlook: The Naira will likely maintain its present trading band unless significant disruptions occur.

NFEM RATE (\$/₦)		Diff.
28-May-25	1,590.7471	
27-May-25	1,583.7388	↑ 7.0083
Source: FMDQ		

Commodities

Oil prices climbed over 1% on Wednesday due to supply concerns, following OPEC+’s decision to maintain current output levels and the U.S. ban on Chevron exporting Venezuelan crude. This came despite earlier expectations that OPEC+ might raise production later in the week. Brent crude increased by 91 cents, or 1.42%, reaching \$65 per barrel, while U.S. West Texas Intermediate (WTI) rose \$1.08, or 1.77%, to \$61.97. Gold prices remained mostly unchanged, with investors awaiting the release of the Federal Reserve’s latest meeting minutes. Spot gold hovered at \$3,295.43 an ounce around 11:55 a.m. EDT (1555 GMT).

Outlook: The upcoming summer driving season is expected to drive significant crude demand growth. With non-OPEC+ production stagnant in H1 2024 and potential Canadian wildfire disruptions threatening supply, market reliance on OPEC+ output is intensifying.

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)	38.52 (-5.77% YTD as of 27-May-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*65.00 (+0.91 d/d)
Source: NBS,CBN, AIICO Capital	

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