

WEEKLY FINANCIAL MARKETS.



Friday, 02 May 2025

MARKET COMMENTARY

System Liquidity

The interbank market remained liquid throughout the week, supported by inflows from a ₦259 billion FGN bond coupon, ₦132.06 billion in 13% derivatives, and other CBN inflows. Despite liquidity outflows from a ₦804.85 billion OMO auction, CRR debits, FX settlements, and bond settlements, system liquidity stayed healthy—opening at ₦1.365 trillion and closing at ₦1.248 trillion. As a result, short-term rates remained stable, with the Overnight Policy Rate (OPR) unchanged at 26.50%, while the Overnight Rate (O/N) softened slightly by 5bps to close at 26.83% w/w.

Outlook: Next week's ₦230 billion OMO maturity should boost system liquidity, likely maintaining rates at 26.5%. However, a potential CBN OMO auction could tighten conditions, pushing rates toward 32.5%.

SYS. LIQ. (₦BN)		Diff.
2-May-25	1,248.14	
25-Apr-25	1,784.96	↓ (536.82)

Source: CBN

Treasury Bills

The Treasury bills market opened the week with subdued activity and modest trades in mid-to-long tenors. Bullish sentiment later emerged, driven by demand for short-to-mid dated bills, though longer-dated papers came under pressure following the CBN's OMO auction announcement. The OMO auction attracted strong interest, recording an oversubscription of ₦556.85 billion, with ₦804.85 billion eventually allotted. Stop rates closed at 22.69% (329-day) and 22.73% (350-day), anchoring market expectations.

As the week progressed, trading volumes remained light, supported by ample system liquidity. Notably, yields declined on the 04 Dec 2025 bill, while the 05 Feb 2026 maturity experienced selling pressure. By week's close, market activity was quiet, and rates were flat day-on-day. However, the average mid-rate on benchmark NTB papers rose by 12bps w/w to 19.57%.

Outlook: We anticipate mixed trading in the treasury bills market next week.

BENCHMARK T-BILLS DISCOUNT RATES

	02-May-25	25-Apr-25	Change in Rates	
83 DAYS	17.00%	17.55%	↓	-0.55%
174 DAYS	18.55%	18.00%	↑	0.55%
356 DAYS	19.37%	19.20%	↑	0.17%

Source: FMDQ DQL for 02-May-2025

FGN Bonds

The local bond market opened the week quietly as investors awaited the FGN bond auction, where ₦350 billion was offered. Following the auction, which saw ₦397.89 billion allotted—₦21.12 billion in 19.30% Apr 2029 bonds at 19.00% and ₦376.77 billion in 19.89% May 2033 bonds at 19.99%—interest picked up in mid-curve papers. Demand was steady for Apr 2029, Feb 2031, and May 2033 bonds, though overall trading volumes remained light. By week's end, activity slowed again, with limited trades at the belly of the curve. Consequently, average mid-yield declined by 7bps w/w to settle at 18.69%.

Outlook: Selective buying is likely to persist in the FGN bond market.

BENCHMARK FGN BOND YIELDS				
	02-May-25	25-Apr-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	19.43%	19.60%	↓	-0.17%
10 YRS: 22.60% 29-JAN-2035	19.53%	19.62%	↓	-0.09%
13 YRS: 15.45% 21-JUN-2038	18.37%	18.37%	↑	0.00%
28 YRS: 15.70% 21-JUN-2053	17.04%	17.15%	↓	-0.11%

Source: FMDQ DQL for 02-May-2025

Eurobonds

Sub-Saharan Eurobonds saw a volatile week, reflecting shifts in global risk sentiment and regional developments. Early gains—led by Angola on expectations of World Bank concessional loans—were offset by declining oil prices and global uncertainty. Weaker U.S. GDP data (-0.3% annualized in Q1 2025) sparked broad risk-off sentiment, prompting selloffs across African sovereigns, including Nigeria, Egypt, and Angola. However, late-week optimism returned following a U.S. jobs report that showed Nonfarm payrolls rose by 177,000—above expectations—while the unemployment rate remained steady at 4.2%, calming investor nerves. Despite Friday's recovery, Nigerian Eurobonds closed weaker, with the average mid-yield rising 43bps w/w to 10.42%.

Outlook: While the prevailing sentiment will likely continue next week, trading activity may moderate as investors adopt a cautious stance ahead of the Fed's policy decision.

BENCHMARK FGN EUROBOND YIELDS				
	02-May-25	25-Apr-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.91%	9.62%	↑	0.29%
10 YRS: NGERIA 7.375% 09/29/31	10.75%	10.28%	↑	0.47%
15 YRS: NGERIA 7.696% 23/02/31	10.88%	10.49%	↑	0.39%
30 YRS: NGERIA 8.25% 09/29/51	11.32%	10.85%	↑	0.47%
8.75% ETI 06/17/31*	9.46%	9.44%	↑	0.02%

Source: FBN UK Runs for 02-May-2025

Nigerian Equities

Equities opened and closed the week strong, buoyed by impressive Q1 earnings from BETAGLASS, PRESCO, NB, CADBURY, and MTNN. Despite broad selloffs in the banking sector—particularly GTCO, ETI, ACCESSCORP, and FBNH—and continued pressure on DANGSUGAR (-9.2%) and NASCON (-5.2%), bargain hunting in TRANSCORP, PRESCO, and NB lifted the All-Share Index by 27bps w/w to close at 106,042.57 points. Offshore activity was largely muted, save for GTCO, MTNN, and NB. Key developments included the listing of 1.72bn MULTIREX shares via private placement and dividend markdowns for ACCESSCORP, UNILEVER, WEMABANK, UPDC, and NEM. Notably, NB, FIDELITYBK, NAHCO, INTBREW, and BETAGLASS all hit new 52-week highs. Wema Bank's rights issue (2-for-3 at ₦10.45) remains open until May 21, 2025.

Outlook: While cautious trading may dominate, select stocks with robust Q1 earnings could attract sustained buying interest.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.23%	↑ 0.27%	↑ 0.23%	↑ 3.03%
NSE Banking Index	↓ -1.49%	↓ -0.38%	↓ -1.49%	↑ 3.76%
NSE Insurance Index	↓ -3.50%	↓ -2.89%	↓ -3.50%	↓ -9.42%
NSE Industrial Goods Index	↑ 0.08%	↑ 0.41%	↑ 0.08%	↓ -5.73%
NSE Consumer Goods Index	↑ 2.03%	↑ 2.89%	↑ 2.03%	↑ 18.14%
NSE Oil & Gas Index	↓ -0.17%	↓ -2.90%	↓ -0.17%	↓ -13.32%

Source: NGX, Bloomberg, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
ETI	26.00	↓ -18.75%	202.20	↓ -69.83%
DANGSUGAR	35.00	↓ -9.21%	79.19	↓ -27.35%
MTNN	255.00	↓ -0.20%	18.69	↓ -6.45%
NASCON	50.00	↓ -5.57%	14.35	↓ -4.96%
FIRSTHOLDCO	24.80	↓ -0.80%	13.19	↓ -4.55%

Source: NGX, AIICO Capital

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
TRANSCORP	45.50	↑ 5.81%	186.63	↑ 64.45%
PRESCO	860.00	↑ 9.55%	137.74	↑ 47.57%
NB	46.00	↑ 17.95%	132.11	↑ 45.62%
ZENITHBANK	47.50	↑ 2.15%	57.66	↑ 19.91%
GTCO	64.00	↑ 1.59%	54.05	↑ 18.67%

Source: NGX, AIICO Capital

Foreign Exchange

The Naira traded within a stable band this week, supported by sustained FX liquidity from the CBN and exporters. The interbank market saw bids filled in the \$/₦1580–1603.50 range, with the pair closing at \$/₦1,602.18, reflecting a marginal 16.5bps depreciation w/w. The CBN intervened multiple times, selling a total of about \$116m across sessions, while subdued FX demand and moderate foreign portfolio inflows helped maintain relative stability. Notably, a late \$50m CBN sale early in the week pushed interbank rates as low as \$/₦1596. Improved liquidity and reduced volatility kept the NAFEX fixing soft. Meanwhile, foreign reserves rose by \$135.9m to \$37.93 billion as of April 30, 2025.

Outlook: We anticipate continued Naira stability within existing bands, supported by potential CBN intervention as market conditions warrant.

NFEM RATE (\$/₦)		Diff.
2-May-25	1,602.1811	
25-Apr-25	1,599.5491	↑ 2.6320

Source: FMDQ

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Commodities

Oil prices declined over 1% on Friday, marking their largest weekly loss since late March, as traders exercised caution ahead of an upcoming OPEC+ meeting that will determine June production policy. U.S. West Texas Intermediate (WTI) crude dropped 95 cents, or 1.6%, to close at \$58.29 per barrel, while Brent crude futures fell 84 cents, or 1.4%, to \$61.29. Meanwhile, gold prices dipped slightly and were on track for a second straight weekly loss, pressured by easing U.S.-China trade tensions and strong U.S. employment data. Spot gold slipped 0.4% to \$3,228.50 an ounce as of 1:41 p.m. ET, down 2.6% for the week after peaking at \$3,500.05 on April 22 and reaching its lowest since April 14 on Thursday.

Outlook: OPEC has become the dominant market driver, overshadowing trade tensions. While slight improvements in U.S.-China relations offer cautious optimism, these signals remain preliminary.

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)	37.93 (-7.20% YTD as of 30-Apr-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*61.29 (-5.58 w/w)
Source: NBS,CBN, AIICO Capital	

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	20.90
AIICO BALANCED FUND	6.92
AIICO EUROBOND FUND	7.18
As of April 27, 2025	

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