

WEEKLY FINANCIAL MARKETS.



Friday, 09 May 2025

MARKET COMMENTARY

System Liquidity

The interbank market remained liquid throughout the week, starting with a ₦1.30 trillion credit balance and closing at ₦684.79 billion, despite significant outflows from the ₦756.74 billion OMO auction, ₦310.35 billion net NTB settlement, and CBN FX-related debits. Liquidity was partly supported by ₦239.15 billion in OMO maturities. The CBN maintained tight monetary policy, conducting a heavily subscribed ₦500 billion OMO auction. Despite the liquidity drain, funding rates held firm at the 26.5% level, as the Overnight Policy Rate (OPR) remained stable at 26.50%, while the Overnight Rate (O/N) rose modestly by 12bps w/w to close at 26.95%.

Outlook: With ₦175B in FGN bond coupons and FAAC inflows due next week, interbank conditions should stay liquid, likely maintaining rates at the prevailing 26.5% levels.

SYS. LIQ. (₦BN)	Diff.
9-May-25	684.79
2-May-25	1,248.14
	↓ (563.35)

Source: CBN

Treasury Bills

The Treasury Bills market opened the week on a bearish note, with selling pressure on March and April OMO papers and muted buyer interest ahead of key auctions. Caution persisted into mid-week as market participants awaited both the OMO and NTB auction results. The OMO auction announcement triggered further sell-offs, with ₦773.74 billion in subscriptions and ₦756.74 billion allotted, the stop rates printed marginally lower at 22.65% and 22.72%, compared to 22.69% and 22.73% last auction.

The NTB auction saw strong demand, with ₦598.33 billion allotted against ₦550 billion offered, and total subscriptions of ₦1.08 trillion. Stop rates on the 91- and 182-day papers held at 18.00% and 18.50%, respectively, while the 364-day paper rose slightly to 19.63%. Post-auction, secondary market activity improved, with interest in the new 1-year (07-May-2026) bill and OMO papers across Jan to Apr maturities. Nonetheless, trading volumes were modest. Overall, the average mid-rate for benchmark NTBs rose 7bps w/w to close at 19.64%.

Outlook: The treasury bills market is likely to see mixed trading activity in the coming week.

BENCHMARK T-BILLS DISCOUNT RATES

	09-May-25	02-May-25	Change in Rates
90 DAYS	17.80%	17.00%	↑ 0.80%
181 DAYS	18.36%	18.55%	↓ -0.19%
349 DAYS	19.30%	19.37%	↓ -0.07%

Source: FMDQ DQL for 09-May-2025

NTB AUCTION RESULT - 07 May 2025

AUCTION DATE	07-May-25		
SETTLEMENT DATE	08-May-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	7-Aug-25	6-Nov-25	7-May-26
OFFER AMOUNT (₦BN)	50.0000	100.0000	400.0000
SUBSCRIPTION AMOUNT (₦BN)	82.1661	48.4360	956.8815
ALLOTMENT AMOUNT (₦BN)	77.2160	38.4950	482.6190
RANGE OF BIDS	17.00% - 20.00%	17.89% - 20.50%	18.88% - 6.210%
CURRENT STOP RATE: DISCOUNT (YIELD)	18.000% (18.846%)	18.500% (20.380%)	19.630% (24.408%)
LAST STOP RATE: DISCOUNT (YIELD)	18.000% (18.846%)	18.500% (20.380%)	19.600% (24.362%)
CHANGE: DISCOUNT (YIELD)	+0.000% (+0.000%)	+0.000% (+0.000%)	+0.030% (+0.046%)

FGN Bonds

The local bond market traded quietly throughout the week, with thin volumes and cautious investor sentiment. Early in the week, activity was muted, with few bids for the Jan 2035s and offers concentrated on the Jun 2053s and Feb 2031s. Midweek saw bearish momentum on mid-tenor papers like Feb 2031s, May 2033s, and Jan 2035s, but overall participation remained low. Focus on the NTB auction further dampened activity, though light retail trades emerged in long-dated maturities. By week's end, trades clustered around Apr 2029s, Feb 2031s, May 2033s, and Jul 2034s. Overall, the average mid-yield rose 3bps w/w to 18.72%.

Outlook: The FGN bond market will likely continue to see selective investor participation in the near term.

BENCHMARK FGN BOND YIELDS

	09-May-25	02-May-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.43%	19.43%	↓ 0.00%
10 YRS: 22.60% 29-JAN-2035	19.60%	19.53%	↑ 0.07%
13 YRS: 15.45% 21-JUN-2038	18.38%	18.37%	↑ 0.00%
28 YRS: 15.70% 21-JUN-2053	17.05%	17.04%	↑ 0.01%

Source: FMDQ DQL for 09-May-2025

Eurobonds

The Eurobonds market traded mixed this week, influenced by global macroeconomic developments. A UK bank holiday initially muted activity, while upbeat U.S. services data eased recession fears but hinted at inflation risks. As the week progressed, firmer crude oil prices and bargain-hunting lifted African Eurobonds, with investors anticipating the Fed's rate decision. Although the Fed held rates steady at 4.25%-4.50% and flagged stagflation risks, weakening hopes for imminent rate cuts steered investors toward high-yield emerging market debt. Improved risk sentiment—driven by easing U.S.-China trade tensions—bolstered demand by week's end. Sub-Saharan sovereigns gained, and Nigeria's Eurobonds saw yields compress 18bps w/w to 10.24%.

Outlook: Markets may find further support if both nations announce: (1) a definitive start date for trade talks, and (2) interim tariff reductions.

BENCHMARK FGN EUROBOND YIELDS

	09-May-25	02-May-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	9.63%	9.91%	↓ -0.28%
10 YRS: NGERIA 7.375% 09/29/31	10.60%	10.75%	↓ -0.15%
15 YRS: NGERIA 7.696% 23/02/31	10.75%	10.88%	↓ -0.13%
30 YRS: NGERIA 8.25% 09/29/51	11.12%	11.32%	↓ -0.20%
8.75% ETI 06/17/31*	9.60%	9.46%	↑ 0.14%

Source: FBN UK Runs for 09-May-2025

Nigerian Equities

The Nigerian equities market advanced this week, with the NGX All-Share Index posting gains in four out of five sessions, rising 2.54% w/w to close at 108,733.40 points. The bullish momentum was driven by strong interest in non-banking blue chips such as MTNN, DANGCEM, NESTLE, TRANSCO HOT, and DANGSUGAR. Friday's decline was primarily due to a selloff in TRANSPower. Despite early-week pressure, banking stocks rebounded as GTCO, ZENITHBANK, ETI, STANBIC, and FIRSTHOLDCO attracted renewed interest, with notable offshore participation in GTCO. Several stocks hit new 52-week highs, including MTNN (₦284.9), NESTLE (₦1,210), and TRANSCO HOT (₦157.5). Meanwhile, GOLDBREW was suspended for filing delays, and dividend markdowns occurred in ARADEL and MEYER. Wema Bank's rights issue remains open until May 21 at ₦10.45 per share.

Outlook: Market activity is likely to remain subdued as traders exercise caution, despite recent broad-based buying interest and lack of meaningful positive triggers.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.46%	↑ 2.54%	↑ 2.77%	↑ 5.64%
NSE Banking Index	↓ -0.01%	↑ 3.09%	↑ 1.55%	↑ 6.97%
NSE Insurance Index	↓ -0.22%	↑ 0.99%	↓ -2.55%	↓ -8.53%
NSE Industrial Goods Index	↓ -0.18%	↑ 1.09%	↑ 1.18%	↓ -4.70%
NSE Consumer Goods Index	↓ -0.05%	↑ 5.41%	↑ 7.55%	↑ 24.53%
NSE Oil & Gas Index	↓ -0.02%	↑ 3.98%	↑ 3.81%	↓ -9.87%

Source: NGX, Bloomberg, AIICO Capital

Top 5 Equity Advancers W-o-W

Ticker	Px	% Change	Points	% Mov
MTNN	284.90	↑ 11.73%	↑ 1,117.71	↑ 41.54%
GTCo	69.05	↑ 7.89%	↑ 272.96	↑ 10.14%
DANGCEM	440.00	↑ 1.85%	↑ 250.36	↑ 9.30%
NESTLE	1,210.00	↑ 10.00%	↑ 160.13	↑ 5.95%
TRANSCO HOT	153.50	↑ 5.86%	↑ 159.89	↑ 5.94%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W

Ticker	Px	% Change	Points	% Mov
TRANSCORP	42.00	↓ -7.69%	↓ 261.28	↓ -9.71%
ACCESSCORP	21.30	↓ -2.74%	↓ 39.17	↓ -1.46%
ABBEYBDS	7.00	↓ -15.66%	↓ 24.24	↓ -0.90%
WAPCO	81.95	↓ -0.91%	↓ 22.19	↓ -0.82%
FIDELITYBK	20.00	↓ -1.72%	↓ 18.63	↓ -0.69%

Source: NGX, AIICO Capital

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Foreign Exchange

The USD/NGN pair traded on a volatile note this week, opening with a bid tone as lower oil prices triggered renewed FX demand from both local and offshore participants. The pair touched intraday highs of ₦1,614 but closed the week relatively stable within a ₦1,604–₦1,610 range. The CBN maintained a strong presence, intervening with an estimated \$270 million in total sales across various sessions, helping to moderate pressure on the Naira. Sporadic inflows from exporters also supported liquidity. Despite these efforts, the Naira weakened by 46.5bps w/w to close at ₦1,609.64. Nigeria’s external reserves improved slightly, up \$86.66 million w/w to \$38.09 billion.

Outlook: CBN’s readiness to intervene should help anchor the Naira near present levels, barring significant external shocks.

NFEM RATE (\$/₦)		Diff.
8-May-25	1,609.6357	↑ 7.4546
2-May-25	1,602.1811	

Source: FMDQ

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)	38.10 (-6.81% YTD as of 06-May-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*63.91 (+2.62 w/w)
Source: NBS,CBN, AIICO Capital	

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.75
AIICO BALANCED FUND	6.28
AIICO EUROBOND FUND	7.17

As of May 5, 2025

Commodities

Oil prices rose on Friday, posting a weekly gain as trade tensions between top oil consumers China and the United States showed signs of easing and Britain announced a “breakthrough” U.S. trade deal. Brent crude rose \$1.07, or 1.7%, to \$63.91 a barrel. U.S. West Texas Intermediate crude gained \$1.11, or 1.85%, at \$61.02. On the week, both contracts were up more than 4%. Gold rose over 1% on Friday as the dollar ticked lower, while the market digested recent tariff remarks from U.S. President Donald Trump ahead of a weekend meeting between the U.S. and China. Spot gold was up 1.4% to \$3,341.71 an ounce at 12:02 p.m. ET and gained nearly 3% so far this week.

Outlook: A confirmed start date for trade negotiations coupled with mutual tariff reductions could provide market relief, potentially pushing crude prices up by \$2 to \$3 per barrel.

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