

WEEKLY FINANCIAL MARKETS.



Friday, 16 May 2025

MARKET COMMENTARY

System Liquidity

Interbank market rates fluctuated this week as liquidity conditions tightened early on but eased by week's end. The market opened with ample liquidity at ₦684.79 billion but declined to ₦423.82 billion due to CRR debits and FX settlements. Consequently, rates peaked midweek, with the Overnight (O/N) rate hitting 29.42% and the Overnight Policy Rate (OPR) rising to 28.50%. However, ₦175 billion in FGN bond coupon inflows later in the week improved liquidity, moderating rates. By week's close, OPR settled at 26.50% and O/N at 26.96%, both within the 26.5%–27% range.

Outlook: Next week's ₦1.14 trillion OMO maturities and ₦101 billion net NTB roll-offs should flood the interbank market with liquidity, potentially pushing rates toward 26.5% lows.

SYS. LIQ. (₦BN)		Diff.
16-May-25	423.90	
9-May-25	684.79	↓ (260.89)

Source: CBN

Treasury Bills

The Treasury Bills market traded with a modest bullish tone this week, supported by selective demand across the curve. Activity began quietly, with interest concentrated at the long end despite limited offers. As the week progressed, demand intensified for mid-to-long tenors—especially March, April, and May maturities—though wide bid-offer spreads constrained volumes.

Strong interest in OMO papers, notably August 2025, December 2025, and January 2026, drove trading momentum midweek. While some profit-taking was observed on the 07-May NTB, broader market sentiment remained firm. Overall, benchmark NTB yields declined by 19bps w/w, closing at an average mid-rate of 19.45%.

Outlook: Treasury bill activity is expected to remain subdued as market participants adopt a wait-and-see approach ahead of next week's Monetary Policy Committee decision and NTB auction.

BENCHMARK T-BILLS DISCOUNT RATES

	16-May-25	09-May-25	Change in Rates
83 DAYS	17.80%	17.80%	→ 0.00%
174 DAYS	18.47%	18.36%	↑ 0.11%
356 DAYS	19.40%	19.30%	↑ 0.10%

Source: FMDQ DQL for 16-May-2025

FGN Bonds

The local bond market traded on a quiet note throughout the week, with limited activity and a bearish undertone. Investor interest was focused on select mid-to-long tenors—namely the Apr 2029s, Feb 2031s, May 2033s, Jan 2035s, and Jun 2053s—though wide bid-offer spreads constrained trading volumes to mostly retail-sized lots. Market sentiment was cautious ahead of the April inflation report, which showed a decline to 23.71% from 24.23% in March. Meanwhile, the DMO opened a ₦300 billion 7-Year Ijarah Sukuk offer at 19.75%. Overall, benchmark yields rose 12bps w/w, with the average mid-yield closing at 18.84%.

Outlook: Trading activity will likely remain subdued as investors stay cautious ahead of the MPC meeting.

BENCHMARK FGN BOND YIELDS				
	16-May-25	09-May-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	19.45%	19.43%	↑	0.02%
10 YRS: 22.60% 29-JAN-2035	19.44%	19.60%	↓	-0.16%
13 YRS: 15.45% 21-JUN-2038	18.38%	18.38%	↑	0.00%
28 YRS: 15.70% 21-JUN-2053	17.08%	17.05%	↑	0.03%
Source: FMDQ DQL for 16-May-2025				

Eurobonds

African Eurobonds posted a volatile week, starting strong on the back of a temporary U.S.-China tariff truce and softer U.S. inflation data. Oil-linked issuers like Nigeria and Angola, along with North African sovereigns, led early gains as sentiment improved. However, mid-week saw a reversal as profit-taking set in and crude oil prices declined, driven by renewed prospects of a US-Iran nuclear deal that could boost global supply. Despite the midweek selloff, late bargain hunting and a sharp decline in U.S. producer prices helped stabilize markets. Risk-on sentiment returned by Friday, with Nigeria and Angola seeing renewed interest. Nigerian Eurobond yields declined 50bps w/w, settling at an average of 9.74%.

Outlook: Expect choppy trading across asset classes as crude volatility and U.S. tariff headlines drive market flows.

BENCHMARK FGN EUROBOND YIELDS				
	16-May-25	09-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.15%	9.63%	↓	-0.48%
10 YRS: NGERIA 7.375% 09/29/3:	10.17%	10.60%	↓	-0.43%
15 YRS: NGERIA 7.696% 23/02/3:	10.34%	10.75%	↓	-0.41%
30 YRS: NGERIA 8.25% 09/29/51	10.72%	11.12%	↓	-0.40%
8.75% ETI 06/17/31*	9.24%	9.60%	↓	-0.36%
Source: FBN UK Runs for 16-May-2025				

Nigerian Equities

The Nigerian stock market had a strong week, with the All-Share Index rising 0.9% w/w to close at 109,710.14 points, buoyed by sustained buying interest from Tuesday to Friday. Gains were driven by OANDO (+20.65%), ACCESSCORP (+10.33%), NESTLE (+10.00%), NB (+12.94%), TRANSCORP (+5.95%), and TRANSHOT (+6.19%). Conversely, MTNN, GTCO, DANGSUGAR, and ZENITHBANK posted modest losses

Foreign investors showed keen interest in GTCO, NESTLE, NB, and MTNN, while local investors actively traded OANDO, TRANSCORP, ACCESSCORP, FIDELITYBK, BETAGLAS, HONYFLOUR, and NNFM. Notably, BetaGlass hit an all-time high of ₦235.05 after a string of 52-week highs. Meanwhile, Airtel Africa launched a \$55 million share buyback program, expected to run until November 19, 2025, further lifting investor sentiment across select blue-chip stocks.

Outlook: We anticipate a cautious tone next week, as investors position for the upcoming MPC decision.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.22%	↑ 0.90%	↑ 3.69%	↑ 6.59%
NSE Banking Index	↑ 0.44%	↑ 1.19%	↑ 2.76%	↑ 8.24%
NSE Insurance Index	↑ 1.10%	↑ 2.47%	↓ -0.15%	↓ -6.27%
NSE Industrial Goods Index	↑ 0.43%	↑ 0.13%	↑ 1.31%	↓ -4.58%
NSE Consumer Goods Index	↑ 0.46%	↑ 4.08%	↑ 11.94%	↑ 29.60%
NSE Oil & Gas Index	↓ -0.09%	↑ 0.66%	↑ 4.50%	↓ -9.27%
Source: NGX, Bloomberg, AIICO Capital				

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
BETAGLAS	235.05	↑ 46.31%	↑ 81.98	↑ 8.39%
CHAMPION	6.82	↑ 43.88%	↑ 29.91	↑ 3.06%
CAVERTON	4.20	↑ 37.70%	↑ 7.08	↑ 0.72%
FTNCOCOA	2.59	↑ 36.32%	↑ 4.94	↑ 0.51%
NNFM	119.90	↑ 32.49%	↑ 9.62	↑ 0.99%
Source: NGX, AIICO Capital				

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
MULTIVERSE	8.05	↓ -19.50%	↓ 1.53	↓ -0.16%
UNIONDICON	7.45	↓ -11.83%	↓ 0.50	↓ -0.05%
UPL	4.40	↓ -8.90%	↓ 0.34	↓ -0.03%
INTENGINS	1.70	↓ -6.59%	↓ 0.28	↓ -0.03%
DANGSUGAR	38.00	↓ -4.76%	↓ 42.39	↓ -4.34%
Source: NGX, AIICO Capital				

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Foreign Exchange

The USD/NGN market traded with a broadly offered tone for most of the week, buoyed by improved global risk sentiment, mixed oil prices, and sustained FX liquidity. Foreign investor flows and reduced corporate dollar demand supported the naira, with CBN interventions largely absent except for a minor presence on Friday. The pair traded within the \$/₦1595–1603 band, with fixing declining nearly ₦9 mid-week to ₦1600.78 before rebounding slightly. The Naira appreciated 46.3bps w/w to close at ₦1,598.72. Improved liquidity and waning FX demand kept pressures subdued. Additionally, Nigeria’s external reserves rose by \$211.48 million to \$38.33 billion.

Outlook: *The Naira is expected to remain stable around current levels, supported by CBN interventions.*

NFEM RATE (\$/₦)		Diff.
16-May-25	1,598.7210	
9-May-25	1,606.1524	↓ (7.4314)

Source: FMDQ

Commodities

Oil prices rose slightly on Friday, poised for a second weekly gain amid easing U.S.-China trade tensions, though gains were limited by prospects of increased supply from Iran and OPEC+. Brent crude climbed 97 cents, or 1.5%, to \$65.50 per barrel by 1:51 p.m. ET, while U.S. West Texas Intermediate (WTI) also gained 97 cents, or 1.6%, to \$62.59. Meanwhile, gold prices dropped nearly 10% from April’s record high above \$3,500 per ounce, weighed down by improving trade relations. Spot gold hovered around \$3,180, setting it on course for its worst weekly performance in six months, despite forecasts of maintaining a positive long-term outlook.

Outlook: *In the near term, as geopolitical tensions ease, robust seasonal travel demand must emerge to offset anticipated supply increases in the coming months.*

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)	38.34 (-6.22% YTD as of 15-May-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*65.50 (+1.59 w/w)

Source: NBS,CBN, AIICO Capital

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	21.08
AIICO BALANCED FUND	8.52
AIICO EUROBOND FUND	6.33

As of May 15, 2025

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