

WEEKLY FINANCIAL MARKETS.



Friday, 23 May 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity remained ample and largely stable throughout the week, supporting steady short-term interest rates. The Overnight Policy Rate (OPR) and Overnight (O/N) rate closed lower w/w at 26.42% (-8bps) and 26.92% (-4bps), respectively, despite notable liquidity movements. System liquidity opened at ₦438.17 billion and closed marginally lower at ₦431.87 billion. The week saw ₦1.14 trillion in OMO maturities, ₦655.25 billion OMO auction settlement, and a ₦17.87 billion FGN bond coupon inflow. The CBN's OMO auction attracted strong demand, with ₦743.25 billion subscribed across mid-tenor instruments. The MPC held all policy parameters unchanged, reinforcing rate stability. Despite midweek liquidity tightening, markets remained resilient, keeping interbank funding rates anchored around 26.5% for most sessions.

Outlook: System liquidity is expected to remain ample, supported by ₦984.22 billion in OMO maturities against ₦300 billion in FGN bond auction settlements. However, the CBN may conduct OMO auctions to manage money supply, which could pressure interbank rates higher.

	SYS. LIQ. (₦'BN)	Diff.
23-May-25	431.87	
16-May-25	423.90	↑ 7.97

Source: CBN

Treasury Bills

The Treasury bills market traded on a subdued note throughout the week, as investors' focus shifted to NTB primary market auction. Activity was largely muted in NTB papers, though selective interest persisted in long-end OMO bills such as the 31-Mar, 14-Apr, and 7-May maturities. The OMO auction midweek saw the CBN offer ₦500 billion across 182-day and 210-day tenors at stop rates of 23.77% and 23.98%, respectively. Similarly, the NTB auction was oversubscribed by ₦671.58 billion, with ₦615.80 billion allotted. The 364-day stop rate dipped slightly by 7bps to 19.56%. Secondary market activity picked up briefly post-auction due to unmet demand, though a wide bid/ask spread limited execution. Overall, benchmark NTB mid-rates climbed 6bps w/w to close at 19.52%, with demand concentrated at the short and long ends of the curve.

Outlook: We expect market activity to remain mixed to bullish in the interim.

BENCHMARK T-BILLS DISCOUNT RATES

	23-May-25	16-May-25	Change in Rates
90 DAYS	17.63%	17.80%	↓ -0.18%
181 DAYS	18.25%	18.47%	↓ -0.22%
349 DAYS	19.35%	19.40%	↓ -0.05%

Source: FMDQ DQL for 23-May-2025

NTB AUCTION RESULT - 21 May 2025			
AUCTION DATE	21-May-25		
SETTLEMENT DATE	22-May-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	21-Aug-25	20-Nov-25	21-May-26
OFFER AMOUNT (₦BN)	50.0000	100.0000	350.0000
SUBSCRIPTION AMOUNT (₦BN)	72.5601	46.8402	1,052.1802
ALLOTMENT AMOUNT (₦BN)	71.6681	41.1345	503.0013
RANGE OF BIDS	17.50% - 20.00%	18.00% - 20.00%	18.90% - 26.00%
CURRENT STOP RATE: DISCOUNT (YIELD)	18.00% (18.846%)	18.500% (20.380%)	19.560% (24.300%)
LAST STOP RATE: DISCOUNT (YIELD)	18.000% (18.846%)	18.500% (20.380%)	19.630% (24.408%)
CHANGE: DISCOUNT (YIELD)	+0.000% (+0.000%)	+0.000% (+0.000%)	-0.070% (-0.108%)

FGN Bonds

The local bond market traded quietly throughout the week, with activity largely subdued as investors adopted a cautious stance ahead of the upcoming ₦300 billion FGN bond auction. Most trades were concentrated in mid-curve tenors—particularly the Feb 2031s, May 2033s, and Jan 2035s—though volumes remained light. Some cherry-picking was observed, especially in the Mar 2027 and Jun 2038 maturities. The bearish undertone persisted, limiting broader participation. Despite the quiet sentiment, the average mid-yield across the benchmark curve declined by 9bps w/w to close at 18.75%.

Outlook: Next week's trading will likely begin cautiously as market focus shifts to the upcoming FGN bond auction.

BENCHMARK FGN BOND YIELDS

	23-May-25	16-May-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	19.46%	19.45%	⬆️	0.01%
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%	17.08%	⬇️	-0.01%

Source: FMDQ DQL for 23-May-2025

MAY 2025 FGN BOND AUCTION NOTICE				
Security	Tenor	Offer (₦Bn)	Previous Stop Rates	Expected Stop Rates
19.3000% FGN APR 2029	3 Years, 11 Months	100.00	19.00%	19.5000% - 19.8000%
19.8900% FGN MAY 2033	8 Years	200.00	19.99%	19.8000% – 20.0000%

Eurobonds

African Eurobonds traded with mixed sentiment throughout the week, initially pressured by Moody’s downgrade of U.S. sovereign debt and geopolitical tensions, including reports of a potential Israeli strike on Iran. Despite early sell-offs, bargain hunting—particularly in Nigerian papers—helped limit losses. Midweek, cautious optimism emerged following dovish comments from Fed officials, though gains were tempered by macro headwinds, including a poor U.S. 20-year auction and rising long-end Treasury yields. Oil price volatility and concerns over U.S.’ 50% tariff threats on eurozone imports further clouded sentiment. By week’s end, African bonds closed slightly lower, with Nigerian Eurobonds outperforming peers. The average mid-yield on Nigerian papers declined 1bp w/w to settle at 9.73%.

Outlook: Market volatility is likely to persist amid oil price swings and U.S. tariff developments.

BENCHMARK FGN EUROBOND YIELDS

	23-May-25	16-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	9.04%	9.15%	⬇️	-0.11%
10 YRS: NGERIA 7.375% 09/29/31	10.20%	10.17%	⬆️	0.03%
15 YRS: NGERIA 7.696% 23/02/31	10.40%	10.34%	⬆️	0.06%
30 YRS: NGERIA 8.25% 09/29/51	10.83%	10.72%	⬆️	0.11%
8.75% ETI 06/17/31*	9.89%	9.24%	⬆️	0.65%

Source: FBN UK Runs for 23-May-2025

Nigerian Equities

The Nigerian equities market reversed last week’s bullish trend, closing the week 0.62% lower w/w to settle at 109,028.62 points. Barring Tuesday, the All-Share Index declined each session amid broad-based sell pressure, notably in TRANSCOHOT, MTNN, TRANSCORP, ACCESSCORP, FIDELITYBK, and OANDO. Gains in NESTLE and PRESCO offered limited support. Mixed sentiment surrounded FIDELITYBK due to a recent court case, while profit-taking hit NB. Offshore investors were active in NB, GTCO, MTNN, and OKOMUOIL, while locals dominated trades in FIDELITYBK, UBA, NESTLE, MTNN, and WAPCO. Market highlights included stock reclassifications (TRANSCOHOT, INTBREW, LIVESTOCK), UBA's listing of 6.8bn rights issue shares, and new highs in PRESCO (₦950.00), NB (₦60.00), and NESTLE (₦1,590.5). AIICO, UACN, and MAYBAKER were marked down for dividends.

Outlook: Investors will likely stay cautious amid limited positive catalysts, though selective buying may emerge in oversold opportunities.

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	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.14%	↓ -0.62%	↑ 3.05%	↑ 5.93%
NSE Banking Index	↑ 1.48%	↓ -1.52%	↑ 1.19%	↑ 6.59%
NSE Insurance Index	↓ -0.66%	↑ 0.73%	↑ 0.58%	↓ -5.59%
NSE Industrial Goods Index	↑ 0.64%	↑ 0.72%	↑ 2.04%	↓ -3.89%
NSE Consumer Goods Index	↓ -0.92%	↑ 2.18%	↑ 14.38%	↑ 32.43%
NSE Oil & Gas Index	↓ -0.29%	↓ -3.44%	↑ 0.90%	↓ -12.39%

Source:NGX, Bloomberg, AIICO Capital

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
NESTLE	1,590.50	↑ 19.50%	↑ 377.76	↑ 55.43%
PRESCO	950.00	↑ 7.95%	↑ 128.56	↑ 18.86%
GTCO	70.00	↑ 2.94%	↑ 108.10	↑ 15.86%
WAPCO	82.40	↑ 3.32%	↑ 78.39	↑ 11.50%
OKOMUOIL	600.00	↑ 4.53%	↑ 45.55	↑ 6.68%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
TRANSCOHOT	138.50	↓ -15.03%	↓ 460.86	↓ -67.63%
MTNN	270.00	↓ -2.88%	↓ 299.05	↓ -43.88%
TRANSCORP	42.55	↓ -4.38%	↓ 145.57	↓ -21.36%
ACCESSCORP	21.60	↓ -8.09%	↓ 124.03	↓ -18.20%
FIDELITYBK	18.65	↓ -10.34%	↓ 114.41	↓ -16.79%

Source: NGX, AIICO Capital

Foreign Exchange

The FX market recorded a relatively stable and bullish performance through the week, with the naira appreciating 1.14% w/w to close at ₦1,580.44/\$ amid improved supply and steady market activity. Early in the week, the CBN intervened with a total of \$190.4 million, supporting liquidity and driving appreciation in the NAFEX fixing, which fell from ₦1,602.38 to ₦1,589.73 midweek, and further to ₦1,580.44 by Friday. Trading ranged between ₦1,575 and ₦1,610 across sessions, with notable bids and offers across the \$/₦1580–1587 band. Foreign investor flows buoyed midweek activity, while exporters added supply later in the week. The foreign reserves rose by \$182.79 million w/w to \$38.56 billion as of May 22, 2025, according to CBN data.

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

NFEM RATE (\$/₦)		Diff.
23-May-25	1,580.4411	
16-May-25	1,598.7210	↓ (18.2799)

Source: FMDQ

Commodities

Oil prices rose on Friday as U.S. traders adjusted positions ahead of the Memorial Day weekend, while uncertainty surrounding nuclear negotiations between the U.S. and Iran added to market jitters. Brent crude ended the session at \$64.78 per barrel, up 34 cents or 0.54%, and U.S. West Texas Intermediate settled at \$61.53, gaining 33 cents or 0.54%. Gold prices surged over 2%, marking their best week in six, driven by renewed U.S. tariff threats and a weaker dollar. Spot gold climbed 2.1% to \$3,362.70 an ounce, bringing weekly gains to 5.1% and reaching its highest level in more than two weeks.

Outlook: Oil markets face dual pressures: potential demand erosion from tariffs and anticipated OPEC+ supply hikes this summer.

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)	38.56 (-5.67% YTD as of 22-May-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*64.78 (-0.72 w/w)

Source: NBS,CBN, AIICO Capital

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	20.45
AIICO BALANCED FUND	11.72
AIICO EUROBOND FUND	7.84

As of May 22, 2025

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