

WEEKLY FINANCIAL MARKETS.



Friday, 30 May 2025

MARKET COMMENTARY

System Liquidity

The interbank market remained liquid throughout the week, supported by multiple inflows including ₦984.22 billion in OMO maturities, 13% derivation funds, state disbursements, and Sukuk bond allocations. Despite the CBN's liquidity absorption efforts—two ₦600 billion OMO auctions and net CRR debits—system liquidity remained robust. The OMO auctions attracted strong interest, with ₦1.146 trillion and ₦687.13 billion in bids, leading to allotments of ₦1.127 trillion and ₦482.33 billion, respectively. The ₦300.69 billion FGN bond and ₦300 billion Sukuk settlements had minimal impact on rates. As a result, interbank rates stayed largely stable, with the Overnight Policy Rate (OPR) closing unchanged w/w at 26.50% and the Overnight Rate (O/N) rising slightly by 3bps to 26.95%.

Outlook: System liquidity is expected to tighten significantly next week, driven by the CBN's scheduled ₦600 billion OMO auction on June 2 (106-day and 232-day tenors). Combined with potential NTB settlements, these outflows — barring offsetting inflows—could push interbank rates toward 30%.

SYS. LIQ. (₦'BN)		Diff.
30-May-25	1,899.41	
23-May-25	431.87	↑ 1,467.53

Source: CBN

Treasury Bills

The Nigerian bills market traded on a mixed note this week. It opened calmly amid anticipation of an OMO auction, with slight bullish sentiment on July, August, and May bills. The CBN offered ₦600 billion across 106- and 169-day tenors, receiving strong demand of ₦1.15 trillion and allotting ₦1.13 trillion at stop rates of 23.59% and 24.50%. Midweek, trading intensified with demand for 11-Nov, 9-Dec, and 3/5-Mar OMO bills, and 3-Mar and 7/21-May NTBs. A second OMO auction offered another ₦600 billion, drawing ₦687.13 billion in bids, and ₦482.33 billion was allotted at slightly higher stop rates of 23.60% and 24.98%. Despite this, activity slowed towards week's end, with subdued demand at the mid-to-long end of the curve. The average mid-rate for benchmark NTBs declined 11bps w/w to close at 19.41%.

Outlook: Next week's NTB primary market auction will offer ₦450 billion across 91-day, 182-day, and 364-day tenors, against ₦321.308 billion in maturities. Trading is likely to remain cautious ahead of the auctions (OMO and NTB), with liquidity conditions dictating market sentiment.

BENCHMARK T-BILLS DISCOUNT RATES

	30-May-25	23-May-25	Change in Rates
83 DAYS	17.55%	17.63%	↓ -0.07%
174 DAYS	18.20%	18.25%	↓ -0.05%
342 DAYS	19.14%	19.35%	↓ -0.21%

Source: FMDQ DQL for 30-May-2025

FGN Bonds

The FGN bonds market began the week in a lull as investors awaited the DMO’s ₦300 billion April 2029 and May 2033 auction. Slight price shifts were seen in the April 2029, May 2033, and June 2053 maturities. Following the auction, subscriptions of ₦436.41 billion exceeded the ₦300.69 billion allotment, with stop rates edging lower to 18.98% (Apr 2029s) and 19.85% (May 2033s). Unmet demand spilled into secondary trading, driving activity in the 2033s and 2034s, though bids for 2029s remained sparse. The midweek sessions then reverted to quiet trading, with selective interest in the 2029, Feb 2031, May 2033, and Jan 2035 tenors. By week’s end, limited activity persisted, and the average mid-yield fell 18 bps w/w to 18.57%.

Outlook: We expect the market to trade mixed sentiments next week.

BENCHMARK FGN BOND YIELDS			
	30-May-25	23-May-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	19.27%	19.46%	↓ -0.18%
10 YRS: 22.60% 29-JAN-2035	18.89%	19.44%	↓ -0.55%
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 30-May-2025			

MAY 2025 FGN BOND AUCTION RESULTS		
Auction Date	May 26, 2025	
Settlement Date	May 28, 2025	
Maturity Date	April 17, 2029	May 15, 2033
Bond Nomenclature	19.30% FGN APR 2029	19.89% FGN MAY 2033
Offered Amount (₦'Bn)	100.000	200.000
Subscription Amount (₦'Bn)	16.443	419.964
Allotment Amount (₦'Bn)	4.705	295.988
Range of Bids (%)	17.0000 - 20.0000	15.0000 - 21.4300
Stop Rates (%)	18.9800	19.8490
Previous Stop Rates (%)	19.0000	19.9900
Change (%)	(0.0200)	(0.1410)

Eurobonds

The African Eurobond market closed the week on a moderately positive note, despite intermittent volatility. Early in the week, trading was subdued due to the U.S. Memorial Day holiday, keeping Nigeria’s average mid-yield unchanged. Midweek momentum was driven by Trump’s delay of EU auto tariffs and a rebound in U.S. consumer confidence, although gains were tempered by OPEC+’s projected production hikes. Fed minutes showed policymakers leaning hawkish, citing persistent inflation concerns, which pressured bonds.

A late rally followed the U.S. court’s reversal of Trump’s global tariffs, though gains were capped by fears of rising U.S. deficits. Overall, Nigeria’s Eurobonds strengthened, with average mid-yields compressing by 30bps w/w to settle at 9.43%.

Outlook: We anticipate uneven trading conditions as competing pressures from energy markets and trade policy developments drive investor positioning.

BENCHMARK FGN EUROBOND YIELDS				
	30-May-25	23-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.68%	9.04%	↓	-0.36%
10 YRS: NGERIA 7.375% 09/29/31	9.98%	10.20%	↓	-0.22%
15 YRS: NGERIA 7.696% 23/02/31	10.12%	10.40%	↓	-0.28%
30 YRS: NGERIA 8.25% 09/29/51	10.67%	10.83%	↓	-0.16%
8.75% ETI 06/17/31*	9.78%	9.89%	↓	-0.11%
Source: FBN UK Runs for 30-May-2025				

Nigerian Equities

The equities market had a strong week, driven by heavyweight movements and bargain hunting. AIRTELAFRI surged 10%, hitting a 52-week high of ₦2,372.5, while SEPLAT resumed normal trading after a -10% dip due to dividend markdowns. UBA dominated Friday’s session, trading 1.4 billion units—the week’s highest in volume and value. Positive sentiment in BUAFOODS, MTNN, TRANSCOHOT, ZENITHBANK, OKOMUOIL, and WAPCO lifted the All-Share Index by 249bps w/w to close at 111,742.01 points. Offshore investors focused on NB, GTCO, ZENITHBANK, OKOMUOIL, and MTNN, while locals were active in MTNN, UBA, UCAP, FIDELITYBK, and ACCESSCORP. MTN Nigeria’s AAA rating was affirmed with a stable outlook. Several stocks, including OKOMUOIL, WAPCO, UNILEVER, and BUAFOODS, hit 52-week highs, underscoring bullish market momentum.

Outlook: Market sentiment is likely to stay guarded in the absence of clear positive triggers, as participants weigh macroeconomic and policy developments.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.07%	↑ 2.49%	↑ 5.62%	↑ 8.56%
NSE Banking Index	↓ -0.36%	↑ 0.66%	↑ 1.86%	↑ 7.29%
NSE Insurance Index	↓ -0.41%	↑ 1.02%	↑ 1.60%	↓ -4.63%
NSE Industrial Goods Index	↓ -0.16%	↑ 0.35%	↑ 2.39%	↓ -3.56%
NSE Consumer Goods Index	↓ -0.49%	↑ 3.78%	↑ 18.71%	↑ 37.44%
NSE Oil & Gas Index	↓ -0.90%	↓ -2.05%	↓ -1.17%	↓ -14.19%
Source:NGX, Bloomberg, AIICO Capital				

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Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
AIRTELAFRI	2,372.50	📈 10.00%	📈 1,488.06	📈 54.84%
BUAFOODS	440.00	📈 5.26%	📈 727.27	📈 26.80%
MTNN	280.10	📈 3.74%	📈 377.55	📈 13.91%
TRANSCOHOT	147.50	📈 6.50%	📈 169.30	📈 6.24%
ZENITHBANK	49.00	📈 3.38%	📈 92.26	📈 3.40%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
SEPLAT	4,964.40	📉 -10.00%	📉 596.18	📉 -21.97%
GTCO	67.00	📉 -4.29%	📉 162.15	📉 -5.98%
OANDO	45.20	📉 -6.80%	📉 75.34	📉 -2.78%
CONOIL	298.10	📉 -9.99%	📉 42.19	📉 -1.55%
ABBEYBDS	5.58	📉 -26.87%	📉 38.23	📉 -1.41%

Source: NGX, AIICO Capital

Foreign Exchange

The FX market traded moderately this week, with the naira showing resilience despite rising demand pressures. The pair opened strong, buoyed by decent liquidity and end-of-month flows, trading mostly within the \$/₦1,575–₦1,595 range. CBN intervened twice, selling an estimated \$120 million cumulatively to support liquidity, with bids cleared between ₦1,581.92 and ₦1,593. Fixings fluctuated, initially strengthening to ₦1,584.38 before weakening midweek to ₦1,592.67, and finally settling at ₦1,586.15—reflecting a 36bps w/w depreciation. Market momentum was driven by local demand and exporter flows, with NAFEX trades ranging from ₦1,500 to ₦1,600.14. Meanwhile, the nation’s foreign reserves declined by \$85.93 million w/w to \$38.46 billion as of May 29, 2025.

Outlook: The Naira is expected to remain stable around current levels.

NFEM RATE (\$/₦)		Diff.
30-May-25	1,586.1524	
23-May-25	1,580.4411	📈 5.7113

Source: FMDQ

Commodities

U.S. crude prices declined on Friday as markets anticipated that OPEC+ would announce a larger-than-expected increase in July oil production during its Saturday meeting. Brent crude futures dropped 25 cents, or 0.39%, to settle at \$63.90 per barrel, while U.S. West Texas Intermediate (WTI) crude slipped 15 cents, or 0.25%, to \$60.79, after earlier falling over \$1. Meanwhile, gold prices dipped as the U.S. dollar strengthened, and investors assessed recent tariff news. A softer inflation reading maintained expectations of a possible Federal Reserve rate cut. Spot gold fell 0.7% to \$3,293.59 per ounce and was down 1.9% for the week.

Outlook: While prices are expected to hold within their current range near-term, they could decline toward the high \$50s by year-end.

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)	38.47 (-5.90% YTD as of 29-May-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*63.90 (-0.88 w/w)

Source: NBS,CBN, AIICO Capital

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