

WEEKLY FINANCIAL MARKETS.



Thursday, 05 June 2025

MARKET COMMENTARY

System Liquidity

The interbank market maintained relative stability despite significant liquidity fluctuations. The Central Bank upheld its tight monetary stance by issuing a hefty ₦600 billion OMO offer, with demand and allotment reaching ₦1.529 trillion and ₦1.512 trillion, respectively. This drove a net liquidity withdrawal, shrinking market liquidity by ₦1.14 trillion to ₦706.49 billion by week's end. Nonetheless, infrastructure fund inflows to states and FGN bond coupon payments helped cushion the impact. The Overnight Policy Rate (OPR) remained steady w/w at 26.50%, while the Overnight (O/N) rate closed marginally higher by 1bp at 26.96%. The NTB auction saw ₦450 billion offered across three tenors.

Outlook: Next week, OMO (₦264bn) and NTB (₦81bn) maturities will inject fresh liquidity, likely anchoring interbank rates near 26.5%. However, we expect the CBN to offset these inflows through an OMO auction, consistent with its tightening stance.

SYS. LIQ. (₦'BN)	Diff.
5-Jun-25	577.79
30-May-25	1,899.41
	↓ (1,321.61)

Source: CBN

Treasury Bills

Activity in the Treasury bills secondary market was largely subdued early in the week, with limited trading on benchmark maturities such as the 4-Dec, 5-Mar, and 21-May bills. Market participants initially focused on the OMO auction, where the CBN offered ₦600 billion but allotted ₦1.51 trillion, with stop rates at 24.20% (106-day) and 24.64% (232-day).

As the week progressed, attention shifted to the NTB auction, where the DMO offered ₦450 billion and saw strong demand with total subscriptions of ₦1.309 trillion. The short- and long-tenor stop rates declined to 17.98% and 19.35%, respectively, prompting increased secondary market demand. The newly issued 1-year NTB traded 65bps below the auction level post-settlement. Overall, improved sentiment late in the week led to a 13bps w/w drop in average mid-yield to 19.41%.

Outlook: We anticipate market participation will correlate closely with available system liquidity.

BENCHMARK T-BILLS DISCOUNT RATES

	05-Jun-25	30-May-25	Change in Rates
91 DAYS	18.55%	18.55%	→ 0.00%
182 DAYS	19.45%	19.45%	→ 0.00%
350 DAYS	19.02%	19.14%	↓ -0.12%

Source: FMDQ DQL for 05-Jun-2025

NTB AUCTION RESULT - 04 June 2025			
AUCTION DATE	04-Jun-25		
SETTLEMENT DATE	05-Jun-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	4-Sep-25	4-Dec-25	4-Jun-26
OFFER AMOUNT (₦'BN)	50.0000	100.0000	300.0000
SUBSCRIPTION AMOUNT (₦'BN)	70.9149	30.0316	1,208.0574
ALLOTMENT AMOUNT (₦'BN)	50.0000	30.0316	369.9684
RANGE OF BIDS	17.48% - 19.00%	18.00% - 18.50%	09.44% - 23.01%
CURRENT STOP RATE: DISCOUNT (YIELD)	17.980% (18.824%)	18.500% (20.380%)	19.350% (23.977%)
LAST STOP RATE: DISCOUNT (YIELD)	18.000% (18.846%)	18.500% (20.380%)	19.560% (24.300%)
CHANGE: DISCOUNT (YIELD)	-0.020% (-0.022%)	+0.000% (+0.000%)	-0.210% (-0.323%)

FGN Bonds

The FGN Bonds market experienced a quiet week, marked by moderate and selective activity. Trading was concentrated on mid-dated papers such as the Feb 2031s and May 2033s, which saw intermittent interest, with May 2033s changing hands within the 19.50%–19.55% yield band. As the week progressed, market sentiment turned slightly bearish amid improved offers, though actual trade volumes remained thin. Toward week’s end, activity further tapered as investors’ attention shifted to the post-NTB auction landscape, resulting in a subdued session with minimal executions. Despite the overall lull, yields were largely stable. Consequently, the average mid-yield across the benchmark bond curve dipped marginally by 1 bps w/w to close at 18.56%.

Outlook: Liquidity levels to dictate trading patterns next week.

BENCHMARK FGN BOND YIELDS				
	05-Jun-25	30-May-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	19.35%	19.27%	⬆️	0.08%
10 YRS: 22.60% 29-JAN-2035	19.08%	18.89%	⬆️	0.19%
13 YRS: 15.45% 21-JUN-2038	18.39%	18.39%	⬆️	0.00%
28 YRS: 15.70% 21-JUN-2053	17.07%	17.07%	⬆️	0.00%

Source: FMDQ DQL for 05-Jun-2025

Eurobonds

African Eurobonds traded mixed this week, though sentiment was largely bullish for most of the period. Nigeria outperformed peers, driven by Moody’s upgrade of its credit rating to ‘B3’ from ‘Caa1’ on improved external and fiscal metrics. Early gains were supported by upbeat U.S. labor data, with Nigerian Eurobond yields tightening 13bps mid-week to 9.21%. Positive risk appetite persisted despite global headwinds, including renewed U.S.-China trade tensions and geopolitical risks from Russia. However, by week’s end, profit-taking and cautious sentiment returned, leaving the broader African market slightly bearish despite higher oil prices and renewed U.S.-China trade dialogue. Overall, Nigeria’s Eurobond market saw strong buying interest, with average mid-yields compressing 26bps w/w to settle at 9.17%.

Outlook: Investors will be closely watching the May jobs report for any signs of further cooling in the labor market.

BENCHMARK FGN EUROBOND YIELDS				
	05-Jun-25	30-May-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.41%	8.68%	⬇️	-0.27%
10 YRS: NGERIA 7.375% 09/29/31	9.71%	9.98%	⬇️	-0.27%
15 YRS: NGERIA 7.696% 23/02/31	9.90%	10.12%	⬇️	-0.22%
30 YRS: NGERIA 8.25% 09/29/51	10.45%	10.67%	⬇️	-0.22%
8.75% ETI 06/17/31*	9.80%	9.78%	⬆️	0.02%

Source: FBN UK Runs for 05-Jun-2025

Nigerian Equities

The NGX All-Share Index gained 257bps w/w to settle at 114,616.75 points, as bulls dominated, closing higher in all four sessions. MTNN led the charge, hitting an all-time high of ₦319.20, while renewed interest in tier-1 banking stocks (GTCO, ZENITHBANK, UBA, ACCESSCORP, STANBIC) further fueled momentum. Bargain hunting in DANGCEM, ARADEL, TRANSCORP, and OANDO added support. FIDELITYBK traded over 829.7m shares Thursday, reflecting strong activity amid mixed sentiment. Offshore players were active in GTCO, FIDELITYBK, and UBA, while locals focused on MTNN, ETI, UCAP, and others. Off-market trades in BUACEMENT and LEGENDINT also stood out. The SEC announced a shift to T+2 settlement from November 28, 2025. Several stocks (e.g., INTBREW, GUINNESS, STANBIC) touched new 52-week highs, reinforcing the bullish tone.

Outlook: We anticipate a more measured tone after this week’s gains, though selective bargain-hunting may persist. Macroeconomic policy decisions are likely to steer overall market direction.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	⬆️ 1.63%	⬆️ 2.57%	⬆️ 2.57%	⬆️ 11.36%
NSE Banking Index	⬆️ 2.46%	⬆️ 4.69%	⬆️ 4.69%	⬆️ 12.32%
NSE Insurance Index	⬆️ 1.31%	⬆️ 3.36%	⬆️ 3.36%	⬇️ -1.43%
NSE Industrial Goods Index	⬆️ 0.25%	⬆️ 1.18%	⬆️ 1.18%	⬇️ -2.42%
NSE Consumer Goods Index	⬆️ 0.84%	⬆️ 2.33%	⬆️ 2.33%	⬆️ 40.65%
NSE Oil & Gas Index	⬆️ 2.36%	⬆️ 3.33%	⬆️ 3.33%	⬇️ -11.33%

Source:NGX, Bloomberg, AIICO Capital

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
MTNN	319.20	⬆️ 13.96%	⬆️ 1,461.62	⬆️ 50.84%
DANGCEM	450.00	⬆️ 2.27%	⬆️ 312.95	⬆️ 10.89%
FIRSTHOLDCO	29.40	⬆️ 17.60%	⬆️ 290.06	⬆️ 10.09%
OANDO	56.85	⬆️ 25.77%	⬆️ 265.98	⬆️ 9.25%
GTCO	70.05	⬆️ 4.55%	⬆️ 164.86	⬆️ 5.73%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
TRANSCOHOT	132.80	⬇️ -9.97%	⬇️ 276.52	⬇️ -9.62%
JBERGER	118.50	⬇️ -11.40%	⬇️ 44.81	⬇️ -1.56%
CONOIL	268.30	⬇️ -10.00%	⬇️ 37.98	⬇️ -1.32%
UNILEVER	46.05	⬇️ -4.06%	⬇️ 20.57	⬇️ -0.72%
ETRANZACT	6.00	⬇️ -11.76%	⬇️ 13.52	⬇️ -0.47%

Source: NGX, AIICO Capital

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Foreign Exchange

The Naira appreciated significantly this week, gaining 2.08% week-on-week to close at ₦1,553.12/\$, driven by strong dollar supply from foreign portfolio investors and local remittance inflows. The interbank market saw steady offers, with trades ranging between ₦1,545 and ₦1,560, while the NAFEX fixing fell from ₦1,585.50 to ₦1,575.14—its lowest level since early April 2025. Sellers dominated early in the week, with rates briefly touching lows of ₦1,556 and even quoted around ₦1,535 for large-sized trades. Despite no direct intervention from the Central Bank, dollar liquidity improved. Meanwhile, foreign reserves fell marginally by \$120.97 million to \$38.33 billion as of June 4. Overall, positive investor sentiment and increased FX supply fueled the Naira’s best weekly performance in months.

Outlook: We expect the Naira to maintain stability at present levels.

NFEM RATE (\$/₦)		Diff.
5-Jun-25	1,553.1157	
30-May-25	1,586.1524	↓ (33.0367)

Source: FMDQ

Commodities

Oil prices rose on Thursday, rebounding from the previous session’s losses after U.S. President Donald Trump and Chinese leader Xi Jinping agreed to resume trade talks, easing market tensions. Brent crude increased by 35 cents, or 0.5%, to \$65.21 a barrel by 1:14 p.m. EDT, while U.S. West Texas Intermediate (WTI) crude climbed 38 cents, or 0.6%, to \$63.23. Gold, typically a safe-haven asset, declined as trade optimism reduced investor caution. Spot gold dropped 0.7% to \$3,351.69 an ounce at 2:13 p.m. EDT, reversing earlier gains, and U.S. gold futures settled down 0.7% at \$3,375.10. Silver hit a 13-year high above \$35.

Outlook: The May NFP release (Friday) could impact Fed rate trajectory, while geopolitical risks in the Middle East remain a secondary catalyst.

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)	38.33 (-6.24% YTD as of 04-Jun-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*65.21 (+1.31 w/w)

Source: NBS,CBN, AIICO Capital

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