

WEEKLY FINANCIAL MARKETS.



Friday, 20 June 2025

MARKET COMMENTARY

System Liquidity

The interbank market experienced significant fluctuations in liquidity and funding rates this week, driven by aggressive CBN operations. Early in the week, the CBN conducted CRR debits alongside a ₦600 billion OMO auction, which attracted robust demand (₦1.15 trillion in subscriptions, ₦1.07 trillion allotted), draining liquidity and spiking rates—OPR and O/N surged to 28.33% and 28.83%, respectively. This tightening was later offset by ₦985.88 billion in OMO maturities, which helped restore liquidity and pull rates back to the 26.5% level midweek. However, subsequent outflows from cross-currency repayments, FX settlements, and net NTB funding (₦134.8 billion) re-tightened conditions. By week's end, average liquidity declined ₦986.49 billion to ₦180.96 billion, pushing rates back to 28.17% (OPR) and 28.92% (O/N), up 167bps and 193bps w/w, respectively.

Outlook: Rates may hold near 28% next week until key inflows arrive, including SRA funds, ₦216.76B bond coupons, and ₦283.78B NTB maturities. These combined inflows should alleviate funding pressures, potentially pulling rates down toward 26.5%.

SYS. LIQ. (₦'BN)	Diff.
20-Jun-25	180.96
13-Jun-25	1,130.68
	↓ (949.72)

Source: CBN

Treasury Bills

The Nigerian Treasury Bills market witnessed a mixed but broadly bullish sentiment this week. Activity opened on a quiet note as focus shifted to the CBN's OMO auction, where stop rates cleared at 24.20% (155-day) and 24.59% (204-day).

Trading remained muted early on due to wide bid-ask spreads, particularly on Jan OMO bills. However, demand gained traction midweek, especially for the 6-Jan OMO bill, while offers emerged for longer-tenor NTBs. At the NTB auction, the DMO fully allotted ₦162.02 billion despite oversubscription of ₦1.233 trillion, with stop rates declining across all maturities—highlighted by a 51bps drop on the 364-day paper. This spurred spillover demand into the secondary market, where the new 1-year bill traded at 17.90%. Overall, the average mid-rate for benchmark NTBs declined 36bps w/w, closing at 18.91%.

Outlook: Trading activity is expected to align directly with prevailing liquidity conditions.

BENCHMARK T-BILLS DISCOUNT RATES

	20-Jun-25	13-Jun-25	Change in Rates
90 DAYS	17.85%	17.76%	↑ 0.09%
181 DAYS	18.35%	18.90%	↓ -0.55%
349 DAYS	18.13%	18.80%	↓ -0.67%

Source: FMDQ DQL for 20-Jun-2025

NTB AUCTION RESULT - 18 June 2025			
AUCTION DATE	18-Jun-25		
SETTLEMENT DATE	19-Jun-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	18-Sep-25	18-Dec-25	18-Jun-26
OFFER AMOUNT (₦'BN)	22.0181	40.0000	100.0000
SUBSCRIPTION AMOUNT (₦'BN)	72.6324	63.5573	1,097.3832
ALLOTMENT AMOUNT (₦'BN)	37.9844	40.5358	83.4980
RANGE OF BIDS	16.50% - 21.03%	17.39% - 20.03%	18.00% - 30.00%
CURRENT STOP RATE: DISCOUNT (YIELD)	17.800% (18.627%)	18.350% (20.198%)	18.840% (23.199%)
LAST STOP RATE: DISCOUNT (YIELD)	17.980% (18.824%)	18.500% (20.380%)	19.350% (23.977%)
CHANGE: DISCOUNT (YIELD)	-0.180% (-0.197%)	-0.150% (-0.182%)	-0.510% (-0.778%)

FGN Bonds

The FGN Bonds market traded on a mixed-to-bullish note this week, marked by cautious positioning ahead of Monday’s primary auction. Activity was initially subdued as market attention turned to the OMO auction, drawing limited secondary interest due to wide bid-ask spreads. Midweek, trading picked up moderately, with demand concentrated in mid-to-long tenor papers such as the new April 2029s, February 2031s, May 2033s, March 2035s, and June 2053s. By week’s end, the market maintained a quiet but mildly bullish tone, with selective demand returning after early profit-taking. Notably, most trades were executed on Feb 2031s, May 2033s, Feb 2034s, and Mar 2050s. Overall, the average mid-yield across the curve declined 28bps w/w to close at 18.25%.

Outlook: Market players are likely to adopt a cautious approach in the run-up to next Monday’s FGN bond auction.

BENCHMARK FGN BOND YIELDS				
	20-Jun-25	13-Jun-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	19.05%	19.18%	↓	-0.14%
10 YRS: 22.60% 29-JAN-2035	19.00%	19.09%	↓	-0.09%
13 YRS: 15.45% 21-JUN-2038	17.90%	18.39%	↓	-0.49%
28 YRS: 15.70% 21-JUN-2053	16.82%	17.07%	↓	-0.25%

Source: FMDQ DQL for 20-Jun-2025

Eurobonds

African Eurobonds experienced a volatile week, swinging between bullish and bearish sentiment driven by shifting geopolitical and macroeconomic factors. The week began on a positive note as easing Israel-Iran tensions revived global risk appetite, boosting demand for oil-linked issuers like Nigeria and Angola. However, midweek sentiment turned mixed as renewed geopolitical concerns, weak U.S. retail data, and a 4% surge in Brent crude raised caution. Ahead of the Fed decision, most African Eurobonds rallied, excluding Egyptian papers, which remained pressured. The Fed held rates at 4.25–4.50% but adopted a more hawkish stance, cutting its 2025 rate cut projections and revealing stagflationary forecasts. By week’s end, market tone softened amid ongoing conflict risks and the Juneteenth holiday lull. Despite volatility, Nigeria’s average Eurobond yield fell 17bps w/w to 8.98%.

Outlook: Investors will closely monitor escalating Middle East tensions and a series of scheduled Fed speeches, both of which could significantly influence market direction.

BENCHMARK FGN EUROBOND YIELDS				
	20-Jun-25	13-Jun-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.25%	8.41%	↓	-0.16%
10 YRS: NGERIA 7.375% 09/29/31	9.57%	9.71%	↓	-0.14%
15 YRS: NGERIA 7.696% 23/02/31	9.73%	9.96%	↓	-0.23%
30 YRS: NGERIA 8.25% 09/29/51	10.37%	10.43%	↓	-0.06%
8.75% ETI 06/17/31*	10.26%	9.82%	↑	0.44%

Source: FBN UK Runs for 20-Jun-2025

Nigerian Equities

The Nigerian equities market closed the week on a strong rebound, gaining 2.35% w/w to close at 118,138.22 points, despite starting off on a bearish note driven by the CBN’s directive affecting banks under regulatory forbearance. Heavy selloffs in banking names on Monday and Tuesday created attractive re-entry points, which investors capitalized on midweek, fueling a rally in key counters. GTCO and STANBIC stood out for their resilience, each hitting new 52-week highs alongside MTNN, SEPLAT, ARADEL, PRESCO, BUAFOODS, and others. Offshore investors were active in blue-chip names such as OKOMUOIL, ZENITHBANK, GTCO, and DANGCEM, while local investors dominated activity in SEPLAT, PRESCO, OANDO, and WAPCO. Major laggards included OANDO, BUACEMENT, and FIRSTHOLDCO. In corporate news, CHAMS launched a rights issue, STERLINGNG listed new shares, and Wilmar International moved to acquire PZ Cussons’ stake in PZ Wilmar. Several tickers including MTNN, PRESCO, and NASCON reached fresh 52-week highs.

Outlook: Investors are likely to remain selective, focusing on stock-specific catalysts while positioning ahead of the upcoming half-year earnings season.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.24%	↑ 2.35%	↑ 5.72%	↑ 14.78%
NSE Banking Index	↑ 1.65%	↑ 3.58%	↑ 8.44%	↑ 16.34%
NSE Insurance Index	↓ -1.07%	↑ 2.37%	↑ 5.69%	↑ 0.80%
NSE Industrial Goods Index	↓ -0.76%	↓ -0.36%	↑ 2.04%	↓ -1.59%
NSE Consumer Goods Index	↓ -0.16%	↑ 2.16%	↑ 5.93%	↑ 45.59%
NSE Oil & Gas Index	↓ -0.16%	↑ 5.27%	↑ 7.44%	↓ -7.80%

Source: NGX, Bloomberg, AIICO Capital

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
MTNN	355.90	↑ 9.51%	↑ 1,155.09	↑ 42.64%
GTCO	84.95	↑ 18.81%	↑ 726.99	↑ 26.84%
BUAFOODS	480.00	↑ 4.58%	↑ 694.21	↑ 25.63%
SEPLAT	5,450.00	↑ 9.78%	↑ 524.79	↑ 19.37%
PRESCO	1,100.00	↑ 11.68%	↑ 211.20	↑ 7.80%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
OANDO	61.00	↓ -11.59%	↓ 182.65	↓ -6.74%
BUACEMENT	87.90	↓ -2.33%	↓ 130.61	↓ -4.82%
UBA	34.40	↓ -4.84%	↓ 109.91	↓ -4.06%
FIRSTHOLDCO	26.95	↓ -4.43%	↓ 82.40	↓ -3.04%
ACCESSCORP	21.90	↓ -2.01%	↓ 29.38	↓ -1.08%

Source: NGX, AIICO Capital

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Foreign Exchange

The FX market witnessed a relatively calm and liquid trading week after prior volatility. The Naira appreciated by 12.8bps w/w to close at ₦1,547.36/\$, supported by improved FX supply from foreign portfolio investors, exporters, and a notable oil-sector corporate. The early OMO auction announcement attracted offshore interest, while CBN’s \$61 million intervention midweek helped ease pressure. Daily trades ranged between ₦1,541 and ₦1,556/\$, with the fixing adjusting accordingly, closing at ₦1,554.17 on Thursday. Despite increased demand, the interbank market remained balanced, requiring minimal CBN action. Market participants anticipate further FX inflows from oil exporters in the coming week. Meanwhile, Nigeria’s external reserves dipped by \$219.56 million to \$37.71 billion as of June 19, 2025.

Outlook: The Naira is likely to maintain its current trading range, supported by liquidity injections from oil exporters and the CBN.

NFEM RATE (\$/₦)		Diff.
20-Jun-25	1,547.3636	
13-Jun-25	1,549.3511	↓ (1.9875)

Source: FMDQ

Commodities

Oil prices declined on Friday as the U.S. announced new sanctions targeting Iran, signaling a diplomatic route that raised hopes for a negotiated resolution. This came after President Donald Trump indicated he would take about two weeks to decide on potential U.S. involvement in the Israel-Iran conflict. Brent crude futures dropped \$1.84, or 2.33%, to \$77.01 per barrel. U.S. West Texas Intermediate (WTI) crude for July, which expires Friday, fell 21 cents, or 0.28%, to \$74.93. Gold prices were steady, though poised for a weekly loss, with spot gold little changed at \$3,368.68 an ounce, its lowest since June 12, and down 1.8% for the week.

Outlook: While direct supply disruptions haven't materialized yet, Middle East tensions keep risks elevated, particularly given potential U.S. involvement. The ongoing Israel-Iran conflict raises the likelihood of accidental escalation that could damage oil infrastructure. Ultimately, price direction will hinge on whether actual supply interruptions occur.

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (MAY 2025)	22.97% (Apr'25: 23.71%)
EXTERNAL RESERVE (US\$BILLION)	37.71 (-7.74% YTD as of 19-Jun-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*77.01 (+2.78 w/w)

Source: NBS,CBN, AIICO Capital

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