

# WEEKLY FINANCIAL MARKETS.



Friday, 27 June 2025

## MARKET COMMENTARY

### System Liquidity

The interbank market witnessed significant liquidity fluctuations this week. It began on a modest note with ₦216.76 billion FGN bond coupon inflows easing pressure, pushing rates slightly below 27%. However, midweek saw a sharp liquidity squeeze due to CBN FX settlements and outflows, driving the Overnight Policy Rate (OPR) and Overnight (O/N) rate to highs of 32.20% and 32.60%, respectively. Liquidity tightened further after the ₦100 billion FGN bond auction settlement. By Friday, however, FAAC disbursements (~₦800bn) and ₦283.79 billion NTB maturities provided significant relief, bringing rates down to 26.5%. Overall, market liquidity improved by ₦1.39 trillion w/w to close at ₦1.58 trillion, with the OPR and O/N rates settling lower at 26.50% and 27.00%, respectively.

**Outlook:** Liquidity is expected to remain steady next week, keeping rates near current levels unless funding pressures emerge. However, any OMO auction by the CBN could push rates higher in line with its tight monetary policy.

	SYS. LIQ. (₦'BN)	Diff.
27-Jun-25	1,576.36	
20-Jun-25	180.96	↑ 1,395.40

Source: CBN

### Treasury Bills

The Nigerian Treasury Bills secondary market traded with a cautious tone throughout the week, marked by selective demand and light volumes. Early sessions saw moderate activity with a bearish bias, especially on June 4/18 and January OMO bills, though wide bid-ask spreads constrained execution. Sentiment improved midweek as lower stop rates at the FGN bond auction spurred interest, pulling NTB yields down by 20–30bps and boosting activity.

Despite quiet trading on some days, demand persisted for mid-to-long tenors, particularly the June 4 NTB paper, which dipped by 10bps from its opening level. Overall, market appetite remained subdued, but strategic buying interest supported a modest rally. Consequently, the average mid-rate for benchmark NTB papers declined by 57bps w/w, closing at 18.34%.

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

### BENCHMARK T-BILLS DISCOUNT RATES

	27-Jun-25	20-Jun-25	Change in Rates
90 DAYS	17.45%	17.85%	↓ -0.40%
181 DAYS	19.08%	18.35%	↑ 0.73%
356 DAYS	17.60%	18.13%	↓ -0.53%

Source: FMDQ DQL for 27-Jun-2025

### FGN Bonds

The FGN bonds market opened the week on a quiet note, with minimal activity following the bond auction, though sporadic trades occurred on the 2029s, 2031s, 2033s, and 2053s. Momentum picked up midweek after the auction results revealed strong demand and lower stop rates of 17.90% and 17.95% for the 2029 and new 2032 papers, respectively—triggering a broad 15–20bps yield decline across the curve. Investor interest deepened in the newly issued June 2032s and the February 2031s, with improved offers and selective demand. The May 2033s remained a focal point throughout the week. By week's end, market sentiment turned mixed to slightly bearish, yet selective trading persisted. Overall, the average mid-yield across the benchmark curve declined 34bps w/w to close at 17.91%.

**Outlook:** Investors are expected to stay cautious while waiting for the Q3 2025 bond issuance calendar.

JUNE 2025 FGN BOND AUCTION RESULTS		
Auction Date	June 23, 2025	
Settlement Date	June 25, 2025	
Maturity Date	April 17, 2029	June 25, 2032
Bond Nomenclature	19.30% FGN APR 2029	17.95% FGN JUNE 2032
Offered Amount (₦'Bn)	50.000	50.000
Subscription Amount (₦'Bn)	41.685	561.170
Allotment Amount (₦'Bn)	1.050	98.950
Range of Bids (%)	17.0000 - 19.5000	15.0000 - 20.0000
Stop Rates (%)	<b>17.7500</b>	<b>17.9500</b>
Previous Stop Rates (%)	18.9800	NIL
Change (%)	<b>(1.2300)</b>	

#### BENCHMARK FGN BOND YIELDS

	27-Jun-25	20-Jun-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	18.69%	19.05%	↓	-0.36%
10 YRS: 22.60% 29-JAN-2035	18.36%	19.00%	↓	-0.64%
13 YRS: 15.45% 21-JUN-2038	17.00%	17.90%	↓	-0.90%
28 YRS: 15.70% 21-JUN-2053	16.68%	16.82%	↓	-0.14%

Source: FMDQ DQL for 27-Jun-2025

#### Eurobonds

African Eurobonds experienced a volatile week driven by geopolitical tensions and shifting global monetary expectations. The market opened lower as oil prices spiked after President Trump backed Israeli strikes on Iran, prompting fears of supply disruption via the Strait of Hormuz. However, markets calmed after Iran's limited response caused no casualties. A ceasefire announcement and dovish signals from Fed Chair Powell spurred a mid-week rally, with Nigerian and Egyptian papers outperforming. Angola's bonds lagged due to oil price volatility and debt concerns. Later in the week, profit-taking trimmed gains despite Trump's assertion that the conflict was "over" and Fed rate cuts remained possible. By week's end, Nigerian Eurobonds' average mid-yield declined 30bps w/w to 8.68%.

**Outlook:** The current cautious mood is likely to continue next week, even after May's inflation data came in hotter than expected. With prices still rising faster than the Fed's 2% target, Chair Powell warned this could delay any rate cuts.

#### BENCHMARK FGN EUROBOND YIELDS

	27-Jun-25	20-Jun-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.01%	8.25%	↓	-0.24%
10 YRS: NGERIA 7.375% 09/29/31	9.22%	9.57%	↓	-0.35%
15 YRS: NGERIA 7.696% 23/02/31	9.52%	9.73%	↓	-0.21%
30 YRS: NGERIA 8.25% 09/29/51	10.12%	10.37%	↓	-0.25%
8.75% ETI 06/17/31*	10.28%	10.26%	↑	0.02%

Source: FBN UK Runs for 27-Jun-2025

#### Nigerian Equities

The local bourse closed the week bullish, gaining 157bps w/w to close at 119,995.76 points despite slight pullbacks on Thursday and Friday. Strong performances in Agric stocks, especially OKOMUOIL and PRESCO, lifted peers like ELLAHLAKES (+31.3%) and FTNCOCOA (+18.9%). Banking tickers also saw early-week demand, though profit-taking later trimmed gains. Bargain hunting in BUACEMENT, ZENITHBANK, DANGSUGAR, WAPCO, INTBREW, and TRANSCORP sustained market momentum. Offshore interest was observed in OKOMUOIL, ACCESSCORP, GTCO, STANBIC, and CADBURY, while local players focused on ZENITHBANK, MTNN, SEPLAT, and NAHCO. Several counters hit fresh 52-week highs including PRESCO (₦1,275), MTNN (₦358), OKOMUOIL (₦790), and VITAFOAM (₦74). Overall, investor sentiment remained largely positive, buoyed by earnings expectations and sector rotation into fundamentally strong names.

**Outlook:** Investors will likely trade carefully, especially in stocks that have risen sharply recently. However, some buying could emerge as traders prepare for the upcoming half-year earnings reports.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.64%	↑ 1.57%	↑ 7.39%	↑ 16.58%
NSE Banking Index	↓ -0.77%	↑ 2.59%	↑ 11.25%	↑ 19.36%
NSE Insurance Index	↓ -0.60%	↑ 3.67%	↑ 9.57%	↑ 4.50%
NSE Industrial Goods Index	↓ -3.64%	↑ 3.92%	↑ 6.05%	↑ 2.27%
NSE Consumer Goods Index	↑ 0.17%	↑ 3.73%	↑ 9.88%	↑ 51.02%
NSE Oil & Gas Index	↓ -1.00%	↓ -2.23%	↑ 5.04%	↓ -9.86%

Source: NGX, Bloomberg, AIICO Capital

#### Top 5 Equity Advancers W-o-W

Ticker	Px	% Change	Points	% Mov
BUACEMENT	95.40	↑ 8.53%	↑ 466.45	↑ 25.69%
ZENITHBANK	57.50	↑ 15.23%	↑ 438.22	↑ 24.14%
OKOMUOIL	787.00	↑ 15.74%	↑ 187.45	↑ 10.33%
TRANSCOHOT	142.40	↑ 7.23%	↑ 180.58	↑ 9.95%
DANGSUGAR	47.65	↑ 19.13%	↑ 170.66	↑ 9.40%

Source: NGX, AIICO Capital

#### Top 5 Equity Decliners W-o-W

Ticker	Px	% Change	Points	% Mov
BUAFOODS	440.00	↓ -8.33%	↓ 1,322.30	↓ -72.84%
GTCO	82.15	↓ -3.30%	↓ 151.34	↓ -8.34%
OANDO	57.00	↓ -6.56%	↓ 91.32	↓ -5.03%
NESTLE	1,450.00	↓ -3.33%	↓ 72.79	↓ -4.01%
FIRSTHOLDCO	26.20	↓ -2.78%	↓ 49.44	↓ -2.72%

Source: NGX, AIICO Capital

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## Foreign Exchange

The Naira sustained its modest appreciation this week, supported by intermittent foreign portfolio investor (FPI) and exporter inflows. Early in the week, trading was quiet with rates anchored within the \$/₦1500–1558 range and a fixing of ₦1549.57. Despite the CBN's continued absence from the market, improved dollar supply kept pressure at bay. The market remained relatively stable mid-week, with marginal fixing movements around ₦1550. Activity picked up sharply toward the end of the week, as a surge in turnover, reportedly \$324 million, boosted liquidity and drove spot rates as low as \$/₦1510–1520. The fixing dropped to ₦1549, reflecting stronger supply. By Friday, the naira closed at \$/₦1539.2359, appreciating by 52.5bps w/w. Reserves fell by \$293.87 million to \$37.369 billion.

**Outlook:** The Naira is likely to maintain its current trading range.

NFEM RATE (\$/₦)		Diff.
27-Jun-25	1,539.2359	
20-Jun-25	1,547.3636	↓ (8.1277)

Source: FMDQ

## Commodities

Oil prices inched higher on Friday, rebounding slightly after dipping midday on reports that OPEC+ might raise output in August. Despite the modest recovery, oil posted its steepest weekly loss since March 2023, sliding about 12%. Brent crude settled at \$67.77 per barrel, up just 4 cents, or 0.1%, while U.S. West Texas Intermediate (WTI) crude rose 28 cents, or 0.4%, to finish at \$65.52. Meanwhile, gold prices fell sharply, losing 2% on Thursday and hitting a nearly one-month low. A U.S.-China trade agreement lifted risk appetite, weakening demand for safe-haven assets. Spot gold dropped 1.5% to \$3,277.17 an ounce and was down 2.8% for the week.

**Outlook:** The market has nearly moved past last week's geopolitical risks and should now focus more on fundamentals-driven market.

## 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)	37.37 (-8.58% YTD as of 26-Jun-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*67.77 (-9.24 w/w)

Source: NBS,CBN, AIICO Capital

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