

DAILY MARKET INSIGHTS.



Wednesday, 02 July 2025

MARKET COMMENTARY

System Liquidity

The interbank market remained well-liquid, even with outflows from DMBs' corporate tax payments. As a result, rates were largely stable around 26.5%. The Overnight Policy Rate (OPR) held firm at 26.50%, while the Overnight (O/N) rate edged up by 4bps to 27.00%.

Outlook: Rates are expected to stay around 26.5% tomorrow, assuming no significant liquidity strain arises.

| SYS. LIQ. (₹BN) | | Diff. |
|-----------------|--------|------------|
| 2-Jul-25 | 463.90 | |
| 1-Jul-25 | 980.86 | ↓ (516.97) |

Source: CBN

FGN Bonds

The bonds market stayed bullish, with interest focused on high-yield and mid to long-dated papers like the Feb 2031s, May 2033s, Feb 2034s, Jan 2035s, and June 2053s. Consequently, the average mid-yield dropped 14bps to 17.55%.

Outlook: Similar positive sentiment is expected to persist in tomorrow's session.

BENCHMARK FGN BOND YIELDS

| | 02-Jul-25 | 01-Jul-25 | Change in Yield |
|----------------------------|-----------|-----------|-----------------|
| 5 YRS: 19.30% 17-APR-2029 | 18.36% | 18.69% | ↓ -0.32% |
| 10 YRS: 22.60% 29-JAN-2035 | 17.76% | 18.37% | ↓ -0.61% |
| 13 YRS: 15.45% 21-JUN-2038 | 16.38% | 16.30% | ↑ 0.08% |
| 28 YRS: 15.70% 21-JUN-2053 | 16.54% | 16.51% | ↑ 0.03% |

Source: FMDQ DQL for 02-Jul-2025

Treasury Bills

Bullish sentiment dominated the Treasury Bills market, supported by strong interbank liquidity. Demand focused on both benchmark and off-benchmark NTB and OMO bills, especially March, 04 June, and 18 June maturities. Average benchmark NTB yields fell by 13bps to 18.23%.

Outlook: Bullish sentiment is likely to continue, driven by healthy market liquidity.

BENCHMARK T-BILLS DISCOUNT RATES

| | 02-Jul-25 | 01-Jul-25 | Change in Rates |
|----------|-----------|-----------|-----------------|
| 85 DAYS | 17.47% | 17.38% | ↑ 0.09% |
| 176 DAYS | 18.51% | 19.08% | ↓ -0.57% |
| 351 DAYS | 17.29% | 17.53% | ↓ -0.24% |

Source: FMDQ DQL for 02-Jul-2025

Eurobonds

The Eurobond market traded mixed amid optimism over U.S. trade deals and growing signs of a labor market slowdown, which strengthened expectations of Fed rate cuts. Prices briefly rose after President Trump's trade deal with Vietnam, while ADP data showed an unexpected loss of 33,000 private-sector jobs in June — the first in over two years. Investors now await Thursday's U.S. jobs report for clearer Fed direction. Nigerian Eurobonds closed flat at 8.60%.

Outlook: June's jobs report is expected to reveal slower hiring and a higher unemployment rate, as investors look for signs of labor market weakness to gauge the timing of the Fed's next rate cut.

| BENCHMARK FGN EUROBOND YIELDS | | | | |
|-------------------------------------|-----------|-----------|-----------------|--------|
| | 02-Jul-25 | 01-Jul-25 | Change in Yield | |
| 5 YRS: NGERIA 8.375% 03/24/29 | 7.93% | 8.05% | ↓ | -0.12% |
| 10 YRS: NGERIA 7.375% 09/29/3: | 9.08% | 9.05% | ↑ | 0.03% |
| 15 YRS: NGERIA 7.696% 23/02/3: | 9.44% | 9.40% | ↑ | 0.04% |
| 30 YRS: NGERIA 8.25% 09/29/51 | 10.03% | 10.01% | ↑ | 0.02% |
| 8.75% ETI 06/17/31* | 9.45% | 9.58% | ↓ | -0.13% |
| Source: FBN UK Runs for 02-Jul-2025 | | | | |

Nigerian Equities

The Nigerian equities market closed positively as the All-Share Index (ASI) gained 50bps to close at 120,339.90 points, pushing the year-to-date return to 16.92%. Market breadth was strong, with 61 advancers against 15 decliners. SMURFIT, OMATEK, INTENEGINS, NSLTECH, THOMASWY, CILEASING, and ELLAHLAKES all posted maximum 10% gains, while DEAPCAP (-9.09%) led the losers. Sector performance was broadly positive. The NGX Banking Index rose 19bps on gains in WEMABANK (+3.00%), ZENITHBANK (+1.69%), and ACCESSCORP (+0.87%), despite mild losses in GTCO and FCMB. The Consumer Goods Index surged 178bps, supported by HONYFLOUR, INTBREW, and NB. However, DANGSUGAR (-5.32%) weighed on the sector. The Industrial Index climbed 52bps as CUTIX, CAP, and MEYER rallied. The Oil & Gas Index fell 45bps on weakness in OANDO. Trading activity was relatively quiet, with value traded up 7.95% to \$7.94m. Key blocks included 67m WEMABANK at ₦15.00 and 13m NB at ₦62.00. Local investors drove momentum in tier-1 banks.

Outlook: Tomorrow's trading is likely to follow today's pattern.

| TOP 5 EQUITY ADVANCERS | | | |
|----------------------------|---------------|---------|----------|
| NAME (SYMBOL) | CLOSING PRICE | GAIN(N) | % CHANGE |
| CILEASING | 5.06 | 0.46 | ↑ 10.00% |
| CUTIX | 3.96 | 0.36 | ↑ 10.00% |
| ELLAHLAKES | 9.24 | 0.84 | ↑ 10.00% |
| INTENEGINS | 1.98 | 0.18 | ↑ 10.00% |
| NSLTECH | 0.66 | 0.06 | ↑ 10.00% |
| Source: NGX, AIICO Capital | | | |

| TOP 5 EQUITY DECLINERS | | | |
|----------------------------|---------------|---------|----------|
| NAME (SYMBOL) | CLOSING PRICE | LOSS(N) | % CHANGE |
| DEAPCAP | 1.00 | -0.10 | ↓ -9.09% |
| JOHNHOLT | 7.00 | -0.40 | ↓ -5.41% |
| DANGSUGAR | 44.50 | -2.50 | ↓ -5.32% |
| UNIVINSURE | 0.60 | -0.03 | ↓ -4.76% |
| OANDO | 52.35 | -2.60 | ↓ -4.73% |
| Source: NGX, AIICO Capital | | | |

| | D-o-D | W-o-W | MTD | YTD |
|----------------------------|----------|----------|----------|-----------|
| NGX ASI | ↑ 0.50% | ↓ -0.76% | ↑ 0.30% | ↑ 16.92% |
| NSE BANKING INDEX | ↑ 0.19% | ↓ -2.35% | ↑ 0.06% | ↑ 18.14% |
| NSE INSURANCE INDEX | ↑ 0.76% | ↑ 1.37% | ↑ 0.97% | ↑ 6.25% |
| NSE INDUSTRIAL GOODS INDEX | ↑ 0.52% | ↓ -3.12% | ↓ -1.12% | ↑ 0.71% |
| NSE CONSUMER GOODS INDEX | ↑ 1.78% | ↑ 1.76% | ↑ 2.26% | ↑ 55.65% |
| NSE OIL & GAS INDEX | ↓ -0.45% | ↓ -2.93% | ↓ -0.42% | ↓ -10.51% |

Foreign Exchange

The interbank NFEM held steady, with the Naira sustaining its appreciation, supported by improved dollar inflows. Trading activity remained active, as the USD/NGN pair moved within a range of \$/₦1,524.00 to \$/₦1,532.00. The Naira gained by 22bps, closing at \$/₦1,526.1577. As of June 30, 2025, gross FX reserves were c.\$37.21 billion.

Outlook: The Naira is expected to strengthen further on improved dollar supply.

| NFEM RATE (\$/₦) | | Diff. |
|------------------|------------|------------|
| 2-Jul-25 | 1,526.1577 | |
| 1-Jul-25 | 1,529.5795 | ↓ (3.4218) |
| Source: FMDQ | | |

Commodities

Oil futures climbed more than 2% on Wednesday after Iran halted cooperation with the U.N. nuclear watchdog and the U.S. reached a trade agreement with Vietnam. However, a surprise increase in U.S. crude inventories capped gains. Brent crude rose \$1.47, or 2.2%, to \$68.58 per barrel by 1:12 p.m. EDT, while U.S. West Texas Intermediate (WTI) advanced \$1.46, or 2.2%, to \$66.91. Meanwhile, gold prices strengthened as disappointing U.S. employment data raised expectations of earlier interest rate cuts by the Federal Reserve. Investors also looked ahead to the non-farm payrolls report. Spot gold rose 0.3% to \$3,348.60 an ounce by 1:51 p.m. EDT, and U.S. gold futures closed at \$3,359.70, also up 0.3%.

Outlook: Thursday's U.S. jobs report will shape expectations for Fed rate cuts in the second half of the year.

| 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) | 37.21 (-8.97% YTD as of 30-Jun-25) |
| MONETARY POLICY RATE (MAY'2025) | 27.50% |
| CASH RESERVE REQUIREMENT (CRR) | 50.00% |
| BRENT CRUDE PRICE US\$/BBL | *68.58 (+1.47 d/d) |
| Source: NBS,CBN, AIICO Capital | |

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