

# WEEKLY FINANCIAL MARKETS.



Friday, 25 July 2025

## MARKET COMMENTARY

### System Liquidity

The interbank market opened the week on a tighter note, with funding rates rising to 32.63% despite coupon inflows of about ₦89.85bn. System liquidity remained deeply negative through the middle of the week, following significant use of CBN's SLF's window, which drowned at around ₦931.75bn on Tuesday. However, as the week progressed, funding rates began to ease by 117bps midweek and another by 471bps on Thursday to 26.75%, supported by FAAC inflows of about ₦850 billion and a liquidity swing to roughly ₦831.36bn. By the week's end, market liquidity rose to ₦1.35tn, with strong DMB participation at the SDF. Consequently, OPR dipped 583 bps to 26.50%, while O/N declined by 575bps to 26.92%.

**Outlook:** Barring any significant liquidity constraint, we expect funding rates to remain relatively stable around the current level.

Date	Sys. Liq. (₦'bn)	Diff.
25-Jul-25	1,345.54	
18-Jul-25	-659.92	↑ 2,005.45

Source: CBN

### Treasury Bills

Despite tight system liquidity at the start of the week, the NTB secondary market traded bullishly, especially at the long end, as the MPC unanimously voted to maintain the MPR at 27.5% alongside other monetary parameters.

At the DMO's NTB primary auction, investor appetite remained robust, with bids totaling ₦675.66 billion for the ₦290 billion on offer—all of which was allotted. Stop rates declined notably to 15.00% (91-day), 15.50% (182-day), and 15.88% (364-day), from prior levels of 15.74%, 16.20%, and 16.30%. The post-auction momentum, supported by cautious investor sentiment, drove moderate buy-side activity, resulting in an 11bps w/w decline in the average benchmark yield to 17.6%.

**Outlook:** We anticipate that investor activity will remain guided by prevailing market liquidity conditions.

### BENCHMARK T-BILLS DISCOUNT RATES

	25-Jul-25	18-Jul-25	Change in Rates
76 DAYS	15.52%	15.52%	→ 0.00%
167 DAYS	16.47%	16.53%	↓ -0.06%
349 DAYS	15.32%	15.50%	↓ -0.18%

Source: FMDQ DQL for 25-Jul-2025

### NTB AUCTION RESULT - 23 July 2025

AUCTION DATE	23-Jul-25		
SETTLEMENT DATE	24-Jul-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	23-Oct-25	22-Jan-26	23-Jul-26
OFFER AMOUNT (₦'BN)	50.0000	20.0000	220.0000
SUBSCRIPTION AMOUNT (₦'BN)	41.6708	24.6639	609.3227
ALLOTMENT AMOUNT (₦'BN)	13.1071	5.1048	271.7881
RANGE OF BIDS	15.64% - 20.00%	16.08% - 18.53%	16.00% - 20.03%
CURRENT STOP RATE: DISCOUNT (YIELD)	15.00% (15.583%)	15.500% (16.798%)	15.880% (18.868%)
LAST STOP RATE: DISCOUNT (YIELD)	15.740% (16.383%)	16.200% (17.624%)	16.300% (19.464%)
CHANGE: DISCOUNT (YIELD)	-0.740% (-0.800%)	-0.700% (-0.825%)	-0.420% (-0.596%)

FGN Bonds

The FGN bonds market traded mixed but leaned bullish overall, supported by improved system liquidity and positioning ahead of the July bond auction. Early in the week, the short end remained pressured, with yields on the FGN 2027 and 2028 papers rising. However, mid-to-long tenor papers—particularly the FGN 2032, 2034, 2049, and 2053—attracted strong demand, leading to notable yield compressions. Sentiment was further buoyed midweek by the release of the July bond auction circular, which offered ₦80 billion across the 2029 and 2032 papers, sparking renewed demand at the short-to-mid end of the curve. By week’s end, the bullish momentum was sustained as investors positioned ahead of the primary market auction. Consequently, average bond yields declined by 20bps w/w to settle at 16.11%.

**Outlook:** We expect calm activities in the early part of the week as investor focus on the July FGN Bond PMA, where ₦80 billion worth of bonds is expected to be offered across the 2029 and 2032 bonds maturities. We project stop rates within the range of 15.65%–15.95% for the 2029 paper and 15.90%–16.15% for the 2032 paper.

BENCHMARK FGN BOND YIELDS			
	25-Jul-25	18-Jul-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	16.17%	16.87%	↓ -0.70%
10 YRS: 22.60% 29-JAN-2035	16.50%	16.29%	↑ 0.21%
13 YRS: 15.45% 21-JUN-2038	15.66%	15.76%	↓ -0.10%
28 YRS: 15.70% 21-JUN-2053	15.57%	15.78%	↓ -0.21%

Source: FMDQ DQL for 25-Jul-2025

Eurobonds

The African Eurobond market traded positively during the week, driven by improving global sentiment amid a series of trade-related headlines. Notably, agreements between the U.S. and Japan—as well as the U.S. and EU—signaled tariff reductions (from 25% to 15% and from 30% to 15%, respectively), easing concerns over global trade tensions. The Nigerian Eurobond segment maintained a mildly bullish tone, with steady buy-side activity across the curve despite intermittent profit-taking. Broad-based yield compression followed, leading to a 22bps w/w decline in average yields to 8.17%.

**Outlook:** The August 1 deadline on U.S. tariffs and potential trade agreements with key partners are expected to influence market direction.

Benchmark FGN Eurobond Yields			
	25-Jul-25	18-Jul-25	Change in Yield
5 yrs: NGERIA 8.375% 03/24/29	7.50%	7.81%	↓ -0.31%
10 yrs: NGERIA 7.375% 09/29/33	8.74%	8.95%	↓ -0.21%
15 yrs: NGERIA 7.696% 23/02/38	9.21%	9.37%	↓ -0.16%
30 yrs: NGERIA 8.25% 09/29/51	9.86%	10.01%	↓ -0.15%
8.75% ETI 06/17/31*	8.43%	8.44%	↓ -0.01%

Source: FBN UK Runs for 25-Jul-2025

Nigerian Equities

For the ninth consecutive week, the Nigerian stock market extended its bullish run, with the NGX All-Share Index (NGX-ASI) gaining 218bps to close at a record high of 134,452.93 points. The rally was driven by strong performances in key stocks such as WEMABANK (+23.6%), PRESCO (+22.53%), OANDO (+18.91%), and NAHCO (+17.06%), despite declines in others like NB (-2.6%), ARADEL (-2.7%), and ETI (-8.4%). Market sentiment remained broadly positive, with 60 gainers outpacing 43 decliners. All five major sectors ended the week in positive territory, led by Industrial Goods (+4.66% w/w), followed by Insurance (+3.07% w/w), Consumer Goods (+2.81% w/w), Banking (+1.84% w/w), and Oil & Gas (+0.87% w/w). Notable trading activity was observed in JAPAU LGOLD, ACCESSCORP, UBA, UNIVINSURE, and ELLAHLAKES.

**Outlook:** H1 earnings release to drive market sentiment

	D-o-D	W-o-W	MTD	YTD
NGXASI	↑ 0.94%	↑ 2.18%	↑ 12.06%	↑ 30.63%
NSE Banking Index	↑ 0.59%	↑ 1.84%	↑ 22.17%	↑ 44.24%
NSE Insurance Index	↑ 1.32%	↑ 3.07%	↑ 18.84%	↑ 25.05%
NSE Industrial Goods Index	↑ 0.60%	↑ 4.66%	↑ 26.19%	↑ 28.52%
NSE Consumer Goods Index	↑ 1.63%	↑ 2.81%	↑ 9.93%	↑ 67.33%
NSE Oil & Gas Index	↑ 0.50%	↑ 0.87%	↑ 0.45%	↓ -9.72%

Source:NGX, Bloomberg, AIICO Capital

Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
TIP	16.13	6.10	↑ 60.82%
ACADEMY	9.31	2.31	↑ 33.00%
ENAMELWA	27.00	6.65	↑ 32.68%
WEMABANK	19.90	3.80	↑ 23.60%
PRESCO	1550.00	285.00	↑ 22.53%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
NSLTECH	0.92	-0.29	↓ -23.97%
OMATEK	1.24	-0.39	↓ -23.93%
MEYER	16.50	-4.50	↓ -21.43%
NEIMETH	6.50	-1.55	↓ -19.25%
ABCTrans	4.59	-1.06	↓ -18.76%

Source: NGX, AIICO Capital

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Foreign Exchange

This week, the naira weakened by an average of N2.38/USD (0.16% w/w) to N1,534.72/USD, as demand pressures outpaced available supply. During the week, the CBN intervened by selling approximately \$81.00mn to support the market. Meanwhile, Nigeria’s gross external reserves rose for the third consecutive week, up by \$778.34 million w/w to \$38.63 billion as of July 24.

**Outlook:** We expect the current stability in the FX market to persist in the near term, supported by the Central Bank of Nigeria’s (CBN) ongoing refinement of existing policies.

NFEM RATE (\$/N)		Diff.
25-Jul-25	1,534.7193	
18-Jul-25	1,532.3405	↑ 2.3788
Source: FMDQ		

Commodities

This week, global oil prices declined to a three-week low, weighed down by weak economic indicators from the U.S. and China. Concerns grew following an unexpected drop in U.S. manufactured capital goods orders for June and speculation of a possible rate cut after President Trump’s meeting with the Fed Chair. Meanwhile, China reported a 0.3% year-on-year decline in fiscal revenue for H1 2025. As a result, Brent crude fell by \$1.24 (-1.8%) to \$68.04 per barrel, while U.S. West Texas Intermediate (WTI) dropped \$2.25 (-3.34%) to \$65.09. In the precious metals market, gold prices slipped 0.4% w/w (to \$3,336.58/oz) as the easing of trade tensions—following tariff agreements between the U.S. and Japan, and the U.S. and EU—reduced safe-haven demand.

**Outlook:** Oil prices are likely to move in the direction of a combination of factors, such as geopolitical developments, changes in supply and demand, and production decisions by major producers (OPEC+), when they meet next week.

MACRO INDICATORS	
GDP (Q1 2025)	+3.13% (Q4: 2024 +3.84% y/y)
INFLATION (JUNE 2025)	22.22% (May'25: 22.97%)
EXTERNAL RESERVE (US\$ BILLION)	38.63 (-5.49% YTD as of 24-Jul-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*68.44 (-0.84 w/w)
Source: NBS,CBN, AIICO Capital	

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