

# WEEKLY FINANCIAL MARKETS.



Friday, 04 July 2025

## MARKET COMMENTARY

### System Liquidity

The interbank market opened the week with robust liquidity, sustaining rates at 26.5%. However, liquidity conditions tightened midweek following a ₦600 billion OMO auction, raising rates to 28%. Strong liquidity then resurfaced from CBN disbursements to states, which helped stabilize rates around 26.5% midweek, even in the face of outflows from corporate tax remittances. However, by week's end, CBN's CRR debits drained liquidity significantly, pushing rates to the 29% level. Week-on-week, OPR rose by 33bps to 26.83% and O/N increased by 42bps to 27.42%. Overall market liquidity declined sharply by ₦811.56 billion to close at ₦468.52 billion, driven by OMO settlements, tax payments, and CRR debits.

**Outlook:** Liquidity is expected to tighten next week due to last Friday's CRR debit, but an anticipated ₦301bn NTB maturity and absence of a DMO auction may inject liquidity and ease interbank rates toward 26.5%.

SYS. LIQ. (₦BN)		Diff.
4-Jul-25	468.52	
27-Jun-25	1,576.36	↓ (1,107.84)

Source: CBN

### Treasury Bills

The Treasury Bills market opened the week on a quiet note as the CBN announced an OMO auction, offering ₦600 billion across 113-day and 260-day bills. Though total bids reached ₦771.65 billion, only the 260-day paper was allotted, clearing at 23.99%, with no sale on the shorter tenor. As the week progressed, sentiment turned slightly bullish, driven by robust interbank liquidity and concentrated demand for short- to mid-term NTBs—especially September, October, January, March, and June maturities.

The 04 and 18 June bills saw strong interest, trading around 17.50%, while the December and March 17 OMO bills also recorded activity. By week's end, demand extended to the longer end of the curve. Overall, the average mid-rate for benchmark NTB papers declined marginally by 1bp w/w to close at 18.33%.

**Outlook:** Cautious trading is expected, though buying interest persists ahead of the Q3 NTB Issuance calendar.

### BENCHMARK T-BILLS DISCOUNT RATES

	04-Jul-25	27-Jun-25	Change in Rates
83 DAYS	17.62%	17.45%	↑ 0.17%
174 DAYS	18.32%	19.08%	↓ -0.76%
349 DAYS	17.40%	17.60%	↓ -0.20%

Source: FMDQ DQL for 04-Jul-2025

### FGN Bonds

The FGN bonds market sustained a bullish tone throughout the week, with activity concentrated on mid- to long-dated maturities. Early sessions recorded modest interest in the April 2029s, February 2031s, and May 2033s, with limited trading on other tenors. As the week progressed, sentiment strengthened significantly, with active demand for high-yield papers, particularly the February 2034s, January 2035s, and June 2053s. The May 2033s garnered the most attention, with yields compressing to as low as 17.50% amid strong deal flow. Offers on key papers trended lower in response to firm buying. By week's end, overall market momentum remained positive, driving the average mid-yield down by 87bps w/w to close at 17.04%.

**Outlook:** Trading is likely to remain cautious, with buying interest sustained ahead of the Q3 FGN Bond issuance calendar release.

BENCHMARK FGN BOND YIELDS				
	04-Jul-25	27-Jun-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	17.80%	18.69%	↓	-0.89%
10 YRS: 22.60% 29-JAN-2035	17.45%	18.36%	↓	-0.91%
13 YRS: 15.45% 21-JUN-2038	15.95%	17.00%	↓	-1.05%
28 YRS: 15.70% 21-JUN-2053	16.04%	16.68%	↓	-0.64%

Source: FMDQ DQL for 04-Jul-2025

## Eurobonds

African Eurobonds rallied on renewed risk appetite, notably benefiting Nigerian, Angolan, and Egyptian issuers. A ceasefire in the Israel-Iran conflict and dovish signals from the Fed bolstered sentiment mid-week. Early-week jitters eased as oil prices stabilized, and trade outlooks improved around U.S.–Vietnam talks and a delayed U.S.–Canada tariff dispute. Mixed risk flows led to moderate profit-taking later, but overall yields remained lower. Markets absorbed mixed macro signals, including soft U.S. retail sales and diverging global central bank guidance. Despite one-off geopolitical concerns, asset flows favoured higher-yielding African sovereigns. As a result, Nigerian Eurobond yields ended the week near multi-month lows, closing around 8.61%.

**Outlook:** The market is expected to trade mixed as investors await trade concessions ahead of the July 9 deadline, while OPEC+ may consider raising output by over 411,000 bpd in August.

BENCHMARK FGN EUROBOND YIELDS				
	04-Jul-25	27-Jun-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	7.97%	8.01%	↓	-0.04%
10 YRS: NGERIA 7.375% 09/29/31	9.03%	9.22%	↓	-0.19%
15 YRS: NGERIA 7.696% 23/02/31	9.41%	9.52%	↓	-0.11%
30 YRS: NGERIA 8.25% 09/29/51	9.95%	10.12%	↓	-0.17%
8.75% ETI 06/17/31*	9.88%	10.28%	↓	-0.40%

Source: FBN UK Runs for 04-Jul-2025

## Nigerian Equities

The local bourse gained 83bps w/w to close at 120,989.66 points, rebounding from a weak start as renewed interest in ARADEL, BUAFOODS, TRANSCORP, WAPCO, NESTLE, and INTBREW drove momentum, despite selloffs in DANGCEM and STANBIC. A major highlight was GTCO's proposed \$100m capital raise and secondary listing of 2.29 billion shares on the London Stock Exchange, which spurred positive investor sentiment.

Offshore participation was notable in GTCO, ACCESSCORP, ETI, and NB, while locals focused on GTCO, WEMABANK, UCAP, CWG, ELLAHLAKES, UBA, and ZENITHBANK. On the corporate front, MTNN signed a national roaming agreement with 9mobile, while Tantalizers Plc announced a partnership to revive DBN Television. Notore Chemicals was delisted from NGX. Meanwhile, INTBREW, NB, CADBURY, and CWG hit new 52-week highs.

**Outlook:** Market sentiment will likely be driven by the upcoming half-year earnings season as investors position ahead.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.01%	↑ 0.83%	↑ 0.84%	↑ 17.55%
NSE Banking Index	↓ -0.13%	↑ 0.12%	↑ 1.22%	↑ 19.50%
NSE Insurance Index	↑ 1.33%	↑ 5.86%	↑ 5.13%	↑ 10.62%
NSE Industrial Goods Index	↓ -0.93%	↓ -2.11%	↓ -1.70%	↑ 0.11%
NSE Consumer Goods Index	↑ 0.24%	↑ 4.08%	↑ 3.27%	↑ 57.19%
NSE Oil & Gas Index	↑ 0.80%	↑ 0.77%	↑ 1.07%	↓ -9.17%

Source: NGX, Bloomberg, AIICO Capital

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
BUAFOODS	459.00	↑ 2.23%	↑ 330.58	↑ 33.24%
TRANSCORP	49.40	↑ 2.28%	↑ 82.12	↑ 8.26%
WAPCO	92.50	↑ 2.89%	↑ 76.91	↑ 7.73%
NESTLE	1,500.00	↑ 3.45%	↑ 72.79	↑ 7.32%
INTBREW	15.35	↑ 10.43%	↑ 71.53	↑ 7.19%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
DANGCEM	425.00	↓ -3.41%	↓ 469.43	↓ -47.20%
STANBIC	84.00	↓ -3.45%	↓ 71.39	↓ -7.18%
BUACEMENT	92.50	↓ -0.91%	↓ 52.86	↓ -5.32%
FIRSTHOLDCO	25.50	↓ -2.67%	↓ 46.15	↓ -4.64%
PZ	32.40	↓ -14.96%	↓ 41.56	↓ -4.18%

Source: NGX, AIICO Capital

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Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) witnessed a stable and bullish tone throughout the week, with the Naira continuing its appreciation trajectory. The market opened quietly, with trading levels ranging between ₦1525–₦1535, driven by sell-offs from FPIs and interbank counterparties positioning ahead of the CBN’s OMO auction. As liquidity remained robust, rates settled below ₦1530 midweek, supported by inflows from FPIs and oil-exporting corporates. Notably, the CBN remained absent from direct interventions, last participating on June 20. Fixings trended downward across the sessions, reflecting organic strengthening of the Naira, with trades even consummated below ₦1500. By week’s end, the Naira appreciated by 69.3bps w/w to close at ₦1,528.5616/\$, while FX reserves dipped by \$138.30 million to \$37.181 billion, indicating sustained demand and tight central bank supply.

**Outlook:** The Naira is expected to strengthen on better dollar supply, though tariff-related and oil output risks could limit gains.

NFEM RATE (\$/₦)		Diff.
4-Jul-25	1,528.5616	
27-Jun-25	1,539.2359	↓ (10.6743)
Source: FMDQ		

Commodities

Oil prices dipped slightly on Friday during thin trading, as investors awaited the outcome of the upcoming OPEC+ meeting, where an output increase is anticipated. Brent crude futures fell 50 cents, or 0.7%, to \$68.30 per barrel, while U.S. West Texas Intermediate crude dropped 50 cents, or 0.75%, to \$66.50 ahead of 1:00 p.m. EDT (1700 GMT). Trading activity was subdued due to the U.S. Independence Day holiday. Meanwhile, gold prices rebounded and were on track for a weekly gain, supported by a weaker U.S. dollar and safe-haven demand, with President Trump’s trade deadline approaching. Spot gold rose 0.3% to \$3,336.39 an ounce.

**Outlook:** If the group raises output by another 411,000 bpd in August as expected, oil balance forecasts for H2 will likely be revised to reflect faster growth in global reserves.

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)	37.18 (-9.04% YTD as of 02-Jul-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*68.30 (+0.53 w/w)
Source: NBS,CBN, AIICO Capital	

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