

WEEKLY FINANCIAL MARKETS.



Friday, 18 July 2025

MARKET COMMENTARY

System Liquidity

The interbank market faced persistent liquidity tightness throughout the week, deepening into a debit position following the settlement of AMCON and CBN FX obligations by Deposit Money Banks. Market liquidity dropped by ₦442.88 billion, moving from a debit of ₦281.86 billion to ₦724.74 billion. Despite the inflow of a ₦65.36 billion FGN bond coupon, liquidity remained insufficient, and interbank rates stayed elevated. Overall, the Overnight Policy Rate (OPR) rose by 83 bps w/w to 32.33%, while the Overnight (O/N) rate increased by 50 bps to 32.67%. Daily fluctuations in rates reflected sustained pressure, with OPR peaking at 32.42% and O/N at 32.75% midweek.

Outlook: Interbank rates should remain elevated at 32.5% until the ₦216.59 billion SRA and FGN bond coupon inflows are credited. These funds are anticipated to ease liquidity tightness and push rates down toward 26.5%.

SYS. LIQ. (₦BN)	Diff.
18-Jul-25	(659.92)
11-Jul-25	(118.11)
Source: CBN	

Treasury Bills

The Treasury bills market maintained a quiet tone throughout the week with thin trading volumes and cautious investor participation. Activity was mainly concentrated on a few mid to long-dated maturities such as the 6-Nov, 5-Mar, 9-Jul, and 4-Jun papers. Although there was some selective interest in these bills, most investors remained on the sidelines in anticipation of more attractive yield levels. OMO activity was particularly muted, with movement only observed on the 14-April bill.

Bid and offer spreads remained wide, which limited trade executions and kept volumes modest. Overall, sentiments remained calm across the curve with no major directional bias. By the close of the week, the average mid-rate on benchmark Nigerian Treasury Bills increased by 26 bps to settle at 16.52%.

Outlook: Trading will likely remain cautious as markets await the NTB auction and assess liquidity conditions.

BENCHMARK T-BILLS DISCOUNT RATES

	18-Jul-25	11-Jul-25	Change in Rates
83 DAYS	15.52%	15.52%	→ 0.00%
174 DAYS	16.53%	16.92%	↓ -0.39%
356 DAYS	15.50%	15.56%	↓ -0.06%

Source: FMDQ DQL for 18-Jul-2025

FGN Bonds

The FGN bonds market traded with a mixed to slightly bearish tone throughout the week as investors remained cautious ahead of the upcoming MPC meeting. Activity was concentrated on short to mid-dated bonds, including the Apr 2029, Feb 2031, May 2033, and Feb 2034 maturities. Despite a few trades on Feb 31s at 16.55%, wide bid and offer spreads limited market depth and kept volumes thin across sessions. By week's end, market sentiment turned bullish, with only moderate trades executed as most players stayed on the sidelines. Axes were quoted around 16.50% to 16.30% on Feb 31s and 16.30% to 16.05% on Feb 34s. Overall, the average mid-yield across the curve rose by 3bps to settle at 16.30%.

Outlook: Investors are likely to adopt a cautious approach next week, ahead of the MPC meeting and NTB auction.

BENCHMARK FGN BOND YIELDS				
	18-Jul-25	11-Jul-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	16.87%	16.97%	↓	-0.09%
10 YRS: 22.60% 29-JAN-2035	16.29%	16.67%	↓	-0.38%
13 YRS: 15.45% 21-JUN-2038	15.76%	15.93%	↓	-0.17%
28 YRS: 15.70% 21-JUN-2053	15.78%	15.70%	↑	0.09%
Source: FMDQ DQL for 18-Jul-2025				

Eurobonds

African Eurobonds posted a mixed performance throughout the week as investors responded to several global developments. Markets initially traded cautiously ahead of the U.S. inflation report, while concerns grew over renewed tariff threats from President Trump targeting Canada, Mexico, and the European Union. Mid-week, sentiment wavered as oil prices dipped and uncertainty surrounded Trump's reported intent to fire Fed Chair Powell, though he later denied such plans. A rebound followed as oil prices recovered, and U.S. jobless claims fell to a three-month low. By week's end, dovish remarks from Fed Governor Waller and softening U.S. inflation expectations lifted investor sentiment. However, lingering trade tensions with the EU kept gains in check. Nigerian Eurobonds closed with a 3 bps increase in average mid-yield, finishing at 8.58% for the week.

Outlook: Markets will likely trade cautiously with mixed sentiment next week as investors digest speeches from the Fed Chair and other central bank officials.

BENCHMARK FGN EUROBOND YIELDS				
	18-Jul-25	11-Jul-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	7.81%	7.81%	→	0.00%
10 YRS: NGERIA 7.375% 09/29/33	8.95%	8.97%	↓	-0.02%
15 YRS: NGERIA 7.696% 23/02/31	9.37%	9.30%	↑	0.07%
30 YRS: NGERIA 8.25% 09/29/51	10.01%	9.99%	↑	0.02%
8.75% ETI 06/17/31*	8.44%	9.31%	↓	-0.87%
Source: FBN UK Runs for 18-Jul-2025				

Nigerian Equities

The equities market closed the week on a strong note, recording gains in all four trading sessions. The All-Share Index advanced by 4.31% w/w to 131,585.66 points, largely driven by renewed investor interest in cement stocks such as DANGCEM, BUACEMENT, and WAPCO amid expectations of strong earnings. Banking stocks also rallied mid-week with several names like STANBIC, GTCO, and UBA hitting new 52-week highs before profit-taking set in.

FIRSTHOLDCO stood out with an off-market trade of over 10.4 billion units at ₦31.00, helping it resist broader market pullbacks. Offshore investors remained active in key counters including GTCO, STANBIC, ACCESSCORP, and NB. Several tickers across sectors recorded new 52-week highs, reinforcing the bullish sentiment despite mild corrections in the final sessions.

Outlook: The market will likely remain cautious after next week's MPC decision, though corporate news could still drive sentiment.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.00%	↑ 4.31%	↑ 9.67%	↑ 27.84%
NSE Banking Index	↓ -1.08%	↑ 5.36%	↑ 19.97%	↑ 41.63%
NSE Insurance Index	↑ 0.59%	↓ -3.65%	↑ 15.30%	↑ 21.33%
NSE Industrial Goods Index	↑ 5.60%	↑ 19.17%	↑ 20.58%	↑ 22.80%
NSE Consumer Goods Index	↑ 1.22%	↑ 1.34%	↑ 6.93%	↑ 62.76%
NSE Oil & Gas Index	→ 0.00%	↓ -0.76%	↓ -0.42%	↓ -10.50%
Source: NGX, Bloomberg, AIICO Capital				

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
DANGCEM	495.00	↑ 16.47%	↑ 2,190.67	↑ 40.31%
BUACEMENT	123.40	↑ 31.28%	↑ 1,828.47	↑ 33.65%
NESTLE	1,800.00	↑ 20.00%	↑ 436.72	↑ 8.04%
STANBIC	99.50	↑ 18.38%	↑ 367.65	↑ 6.77%
FIRSTHOLDCO	33.95	↑ 16.47%	↑ 316.43	↑ 5.82%
Source: NGX, AIICO Capital				

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
HONYFLOUR	26.00	↓ -12.90%	↓ 56.07	↓ -1.03%
INTBREW	13.85	↓ -6.73%	↓ 49.33	↓ -0.91%
CHAMPION	12.29	↓ -17.52%	↓ 37.53	↓ -0.69%
OANDO	50.50	↓ -2.32%	↓ 27.40	↓ -0.50%
FIDELITYBK	20.85	↓ -1.65%	↓ 18.63	↓ -0.34%
Source: NGX, AIICO Capital				

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Foreign Exchange

The Nigerian FX market experienced a mixed but relatively stable week, shaped by intermittent Central Bank of Nigeria (CBN) interventions and shifts in dollar liquidity. On Monday, the CBN sold an estimated \$80 million, helping stabilize the market within the \$/₦1527.05 – 1530.70 range. Midweek sessions were quiet, with balanced flows and no CBN action required, as the pair traded between \$/₦1527 and \$/₦1532.50. However, by Thursday, demand for dollars increased amid tighter supply, pushing rates to highs of \$/₦1536. CBN reentered on Friday to ease pressure, resulting in improved liquidity. The week closed with trades ranging from \$/₦1528.00 to \$/₦1536.50. The Naira depreciated slightly by 13.6 bps w/w to close at \$/₦1,532.3405, while external reserves rose by c.\$422 million to \$37.854 billion.

Outlook: The Naira will likely hold its current range amid better liquidity, while markets weigh potential FX impacts from next week's MPC decision.

NFEM RATE (\$/₦)		Diff.
18-Jul-25	1,532.3405	
11-Jul-25	1,530.2634	↑ 2.0771

Source: FMDQ

Commodities

Crude oil prices were mostly steady on Friday as markets weighed mixed signals from U.S. economic data, trade tensions, and fresh EU sanctions on Russia over the war in Ukraine. Brent crude slipped 24 cents to close at \$69.28 per barrel, while U.S. West Texas Intermediate dropped 20 cents to settle at \$67.34. Gold prices rose, supported by a weaker U.S. dollar and persistent global uncertainty, which lifted demand for the safe-haven asset. Spot gold gained 0.4% to \$3,351.18 per ounce, recovering some ground after a 1.1% decline the previous day. Platinum prices, however, eased after touching 2014 highs.

Outlook: The planned retaliatory tariffs and new sectoral taxes may drive U.S. tariff rates beyond 25% - exceeding 1930s levels. These measures will likely fuel inflation in coming months.

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (JUNE 2025)	22.22% (May'25: 22.97%)
EXTERNAL RESERVE (US\$BILLION)	37.85 (-7.40% YTD as of 17-Jul-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*69.28 (-1.08 w/w)

Source: NBS,CBN, AIICO Capital

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