Tuesday, 26 August 2025

MARKET COMMENTARY

System Liquidity

The interbank market stayed liquid with ₦758 billion in OMO maturity inflows. The CBN issued a ₦400 billion short-dated OMO auction to curb excess liquidity, drawing ₦710.96 billion in subscriptions and allotting ₦349.46 billion. Despite the auction settlement, interbank rates held firm at 26.5%. The Overnight Policy Rate (OPR) remained at 26.50%, while the Overnight (O/N) rate rose 4bps to 26.96%.

Outlook: *Rates should hold near 26.5% tomorrow unless major funding pressures emerge.*

SYS. LIQ. (₦'BN)		Diff.
26-Aug-25	1,475.53	
25-Aug-25	739.10	↑ 736.43
Source: CBN		

Treasury Bills

The T-bills market traded cautiously following the OMO auction announcement, with minimal activity across the curve. Slight movements were noted on the 23-July NTB and 7-Apr, 14-Apr, and 7-Jul OMO bills, though only a handful of deals cleared. The average mid-rate for benchmark NTB papers rose 10bps to 17.27%.

Outlook: *Tomorrow's session is likely to maintain its mixed tone.*

BENCHMARK T-BILLS DISCOUNT RATES			
	26-Aug-25	**25-Aug-25**	**Change in Rates**
86 DAYS	16.21%	16.21%	→ 0.00%
177 DAYS	16.78%	16.78%	→ 0.00%
359 DAYS	17.25%	17.10%	↑ 0.15%
Source: FMDQ DQL for 26-Aug-2025			

FGN Bonds

The FGN bonds market remained quiet with unsteady sentiment. Early mild demand emerged for the New Mar 2027s, Apr 2029s, Feb 2031s, May 2033s, and Jun 2053s, but yields edged higher later amid wide bid-offer spreads and thin volume. The average mid-yield fell 4bps to 17.11%.

Outlook: *We expect a mixed tone in tomorrow's session.*

BENCHMARK FGN BOND YIELDS			
	26-Aug-25	**25-Aug-25**	**Change in Yield**
5 YRS: 19.30% 17-APR-2029	17.64%	16.89%	↑ 0.75%
10 YRS: 22.60% 29-JAN-2035	15.66%	15.66%	↑ 0.00%
13 YRS: 15.45% 21-JUN-2038	16.24%	16.24%	↓ 0.00%
28 YRS: 15.70% 21-JUN-2053	16.07%	16.07%	↓ 0.00%
Source: FMDQ DQL for 26-Aug-2025			

Eurobonds

African Eurobonds turned bearish as oil prices fell and investors reacted to President Trump's escalated pressure on the Fed and trade partners. Trump claimed "sufficient cause" to remove Fed Governor Lisa Cook over alleged mortgage fraud, though she refused to resign and plans to challenge the move legally. Trump also hinted at replacing her soon to gain a Fed "majority" and push rate cuts. Eurobonds dipped on concerns over Fed independence, while Trump threatened new tariffs and tech export curbs against countries taxing U.S. digital services — raising trade tensions with the EU. Nigerian Eurobond yields rose 11bps to 7.97%.

***Outlook**: Markets await Friday's July PCE inflation report.*

BENCHMARK FGN EUROBOND YIELDS				
	26-Aug-25	25-Aug-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	6.89%	6.74%	↑	0.15%
10 YRS: NGERIA 7.375% 09/29/3	8.28%	8.23%	↑	0.05%
15 YRS: NGERIA 7.696% 23/02/3	8.89%	8.80%	↑	0.09%
30 YRS: NGERIA 8.25% 09/29/51	9.44%	9.33%	↑	0.11%
8.75% ETI 06/17/31*	6.46%	6.63%	↓	-0.17%
Source: FBN UK Runs for 26-Aug-2025				

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.23%	↓ -0.60%	↑ 1.36%	↑ 37.73%
NSE BANKING INDEX	↑ 0.73%	↑ 1.94%	↓ -2.13%	↑ 45.33%
NSE INSURANCE INDEX	↓ -0.18%	↓ -1.87%	↑ 51.07%	↑ 87.17%
NSE INDUSTRIAL GOODS INDEX	↑ 0.09%	↓ -4.02%	↑ 2.30%	↑ 39.91%
NSE CONSUMER GOODS INDEX	↑ 0.48%	↓ -0.12%	↑ 10.73%	↑ 87.32%
NSE OIL & GAS INDEX	↑ 0.48%	↑ 0.29%	↓ -3.62%	↓ -11.89%

Nigerian Equities

The Nigerian equities market closed positive as the ASI advanced 23bps to 141,761.36, extending YTD gains to 37.73%. Market breadth was negative with 27 gainers against 32 losers, though sectoral performance leaned bullish. The Banking Index rose 73bps, supported by gains in FCMB (+2.75%), GTCO (+2.03%), and FIDELITYBK (+1.92%), offset slightly by losses in ETI (-6.89%). Consumer stocks also posted a 48bps uptick, buoyed by CADBURY (+8.04%) and INTBREW (+3%). The Oil & Gas Index added 48bps on OANDO (+4.95%), while Industrials gained 9bps on BERGER (+9.06%). Activity was relatively stronger in the banking and industrial counters, with value traded up 10.65% to $8.34m. Notable crosses included 50m FCMB at ₦11.00, 10m WAPCO at ₦134.00, 2.5m GTCO at ₦97.65, and 1.2m MTNN at ₦410.00.

***Outlook:** Tomorrow's trading is likely to remain quiet, with limited activity outside of cross deals.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
NCR	11.55	1.05	↑ 10.00%
BERGER	34.90	2.90	↑ 9.06%
BETAGLAS	486.00	36.67	↑ 8.16%
CADBURY	62.50	4.65	↑ 8.04%
SOVRENINS	2.85	0.20	↑ 7.55%
Source: NGX, AIICO Capital			

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
LEGENDINT	5.40	-0.60	↓ -10.00%
NSLTECH	0.98	-0.10	↓ -9.26%
CUTIX	3.55	-0.35	↓ -8.97%
UACN	73.00	-6.95	↓ -8.69%
DEAPCAP	1.66	-0.15	↓ -8.29%
Source: NGX, AIICO Capital			

Foreign Exchange

The interbank NFEM saw increased FX demand against limited supply, with the naira trading between ₦1,537/$ and ₦1,539/$. Nigeria's gross reserves reached $41.19 billion as of 25 August 2025, rising $85.58 million from the prior day. NFEM data was last updated 25 August 2025.

***Outlook:** The naira should remain stable amid growing external reserves.*

NFEM RATE ($/₦)		Diff.
25-Aug-25	1,536.4245	↑ 1.3866
22-Aug-25	1,535.0379	
Source: CBN		

Commodities

Oil prices slid 2% on Tuesday, wiping out the previous day's gains, as traders monitored U.S. tariff developments, the Ukraine conflict, and risks to Russian fuel supplies. Brent crude fell $1.58, or 2.3%, to $67.22 per barrel after briefly touching its highest level since early August. U.S. West Texas Intermediate dropped $1.55, or 2.4%, to $63.25. Meanwhile, gold climbed to a more than two-week high, buoyed by safe-haven demand after President Trump dismissed a Federal Reserve governor, raising doubts about central bank stability. Spot gold rose 0.5% to $3,382.19, while December U.S. gold futures also gained 0.5% to $3,433.

***Outlook:** Investors are likely to stay hesitant in taking strong directional positions in the oil market due to prolonged uncertainty from the Ukraine conflict and ongoing tariff tensions.*

MACRO INDICATORS	
GDP (Q1 2025)	+3.13% (Q4: 2024 +3.76% y/y)
INFLATION (JULY 2025)	21.88% (Jun'25: 22.22%)
EXTERNAL RESERVE (US$'BILLION)	41.19 (+0.77% YTD as of 25-Aug-25)
MONETARY POLICY RATE (JULY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US$/BBL	*67.22 (-1.58 d/d)
Source: NBS,CBN, AIICO Capital	