

# WEEKLY FINANCIAL MARKETS.



Friday, 1 August 2025

## MARKET COMMENTARY

### System Liquidity

The interbank market experienced improved liquidity conditions this week. It opened with system liquidity at ₦1.30 trillion, though the CBN's ₦1.60 trillion OMO auction placed mild upward pressure on funding costs. As a result, the OPR held steady at 26.50% while the O/N rate inched up to 27.00%. By midweek, liquidity rose to ₦1.28 trillion, despite outflows from the July FGN bond auction (~₦185.93 billion). This supported a slight decline in funding costs, with the OPR unchanged at 26.50% and the O/N rate moderating to 26.88%. Toward the end of the week, liquidity strengthened further, buoyed by increased placements at the CBN's Standing Deposit Facility (SDF), which climbed to around ₦1.30 trillion. While this underscored ample system liquidity, part of it was sterilized through the SDF.

Overall, system liquidity expanded by roughly ₦261.25 billion w/w to close at ₦1.61 trillion. Funding costs remained broadly stable, with the OPR unchanged at 26.50% and the O/N rate easing marginally by 2bps to 26.90%.

**Outlook:** Liquidity is expected to remain steady next week, keeping rates near current levels unless funding pressures emerge. However, any OMO auction by the CBN could push rates higher.

SYS. LIQ. (₦'BN)		Diff.
1-Aug-25	1,606.80	
25-Jul-25	1,345.55	↑ 261.25

Source: CBN

### Treasury Bills

The Treasury bills market closed the week on a bearish note, as investors priced in the likelihood of further OMO auctions by the CBN to mop up excess system liquidity. Consequently, the average yield across all instruments rose by 9bps to 16.36%.

At the week's OMO auction, the CBN offered a total of ₦600.00bn, evenly split between the 113-day and 204-day maturities. Investor appetite was robust, with total subscriptions reaching ₦1.63tn. However, the CBN allotted ₦1.55tn exclusively in the 204-day bill at a stop rate of 23.87%, reflecting strong preference for longer-dated instruments.

**Outlook:** We expect trading activity to adjust in line with current liquidity conditions

### BENCHMARK T-BILLS DISCOUNT RATES

	01-Aug-25	25-Jul-25	Change in Rates
83 DAYS	16.25%	15.52%	↑ 0.73%
174 DAYS	16.57%	16.47%	↑ 0.10%
356 DAYS	15.73%	15.32%	↑ 0.41%

Source: FMDQ DQL for 01-Aug-2025

### FGN Bonds

The FGN bonds market opened the week on a quiet note, trading with a bearish bias as offers improved following higher-than-expected auction issuance. Market sentiment was further dampened by profit-taking and subdued demand, pushing the average yield across the curve up by 12bps to 16.4%.

At Monday's Primary Market Auction (PMA), the DMO reopened the 19.30% FGN APR 2029 and 17.95% FGN JUN 2032, offering ₦80.00bn to investors. Total subscription settled at ₦300.70bn, significantly lower than the ₦602.86bn recorded at the previous auction, representing a bid-to-offer ratio of 3.8x. Eventually, the DMO allotted ₦185.93bn across the two instruments, translating to a bid-to-cover ratio of 1.6x.

**Outlook:** Investor confidence is anticipated to stay firm in the local market over the short term.

JULY 2025 FGN BOND AUCTION RESULTS		
Auction Date	July 28, 2025	
Settlement Date	July 30, 2025	
Maturity Date	April 17, 2029	June 25, 2032
Bond Nomenclature	19.30% FGN APR 2029	17.95% FGN JUNE 2032
Offered Amount (₦'Bn)	20.000	60.000
Subscription Amount (₦'Bn)	39.075	261.597
Allotment Amount (₦'Bn)	13.430	172.500
Range of Bids (%)	17.0000 - 20.0000	15.0000 - 19.0000
Stop Rates (%)	15.6900	15.9000
Previous Stop Rates (%)	17.7500	17.9500
Change (%)	(2.0600)	(2.0500)

BENCHMARK FGN BOND YIELDS			
	01-Aug-25	25-Jul-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	16.48%	16.17%	⬆️ 0.31%
10 YRS: 22.60% 29-JAN-2035	16.03%	16.50%	⬇️ -0.47%
13 YRS: 15.45% 21-JUN-2038	15.68%	15.66%	⬆️ 0.02%
28 YRS: 15.70% 21-JUN-2053	15.92%	15.57%	⬆️ 0.35%

Source: FMDQ DQL for 01-Aug-2025

### Eurobonds

African Eurobonds experienced a volatile week, shaped by trade negotiations and shifting global monetary expectations. The market opened higher as the finalized U.S.–EU tariff agreement bolstered investor risk appetite, triggering broad-based buying interest in emerging market assets. Sentiment later softened amid concerns over rising death tolls from fuel price hike protests in Angola, which weighed on risk perception in select African credits. Toward the end of the week, the market rebounded as investors reacted positively to the U.S. Federal Reserve’s decision to hold interest rates, while cautiously interpreting signals of a possible dovish stance in September. By week’s end, Nigerian Eurobonds closed slightly firmer, with the average mid-yield declining marginally by 1bp w/w to 8.24%

**Outlook:** Market to react to the tariff implementation in near term.

BENCHMARK FGN EUROBOND YIELDS			
	01-Aug-25	25-Jul-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	7.49%	7.50%	⬇️ -0.01%
10 YRS: NGERIA 7.375% 09/29/33	8.70%	8.74%	⬇️ -0.04%
15 YRS: NGERIA 7.696% 23/02/38	9.17%	9.21%	⬇️ -0.04%
30 YRS: NGERIA 8.25% 09/29/51	9.81%	9.86%	⬇️ -0.05%
8.75% ETI 06/17/31*	7.97%	8.43%	⬇️ -0.46%

Source: FBN UK Runs for 01-Aug-2025

### Nigerian Equities

The local bourse ended the week on a bullish note, advancing 507bps w/w to close at 141,263.05 points, lifting year-to-date performance to 37.25%. The rally was largely driven by strong gains in Industrial Goods stocks, particularly DANGCEM, BUACEMENT, and WAPCO, while banking tickers also enjoyed sustained demand. However, profit-taking in the Oil & Gas sector, notably in OANDO, pared some of the gains. Bargain hunting in UACN, WEMABANK, MTNN, WAPCO, BUACEMENT, and ZENITHBANK further supported market momentum, alongside notable offshore interest in NB, GTCO, STANBIC, ETI, and ACCESSCORP. Several counters touched fresh 52-week highs, including MTNN (₦472), WEMABANK (₦23.9), GUINNESS (₦117.05), and BUACEMENT (₦148). Meanwhile, the entire issued shares of MRS Plc were voluntarily delisted. Overall, investor sentiment stayed positive, buoyed by ongoing earnings releases and sectoral rotation into fundamentally strong names.

**Outlook:** Investors are expected to trade cautiously, especially on tickers that have seen sharp recent gains. Nevertheless, sustained buy interest in large-cap stocks could keep market momentum upbeat.

	D-o-D	W-o-W	MTD	YTD
NGXASI	⬆️ 1.00%	⬆️ 5.07%	⬆️ 1.00%	⬆️ 37.25%
NSE Banking Index	⬆️ 0.52%	⬆️ 3.49%	⬆️ 0.52%	⬆️ 49.27%
NSE Insurance Index	⬇️ -0.29%	⬇️ -1.22%	⬇️ -0.29%	⬆️ 23.53%
NSE Industrial Goods Index	⬆️ 3.49%	⬆️ 10.12%	⬆️ 3.49%	⬆️ 41.53%
NSE Consumer Goods Index	⬆️ 1.61%	⬆️ 2.72%	⬆️ 1.61%	⬆️ 71.89%
NSE Oil & Gas Index	⬇️ -1.73%	⬇️ -0.48%	⬇️ -1.73%	⬇️ -10.16%

Source:NGX, Bloomberg, AIICO Capital

Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
UACN	88.30	33.35	⬆️ 60.69%
MECURE	15.85	4.65	⬆️ 41.52%
CUSTODIAN	39.00	8.50	⬆️ 27.87%
VERITASKAP	1.39	0.26	⬆️ 23.01%
TRIPPLEGEE	4.30	0.79	⬆️ 22.51%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
ABBEYBDS	5.27	-2.73	⬆️ -34.13%
FTNCOCOA	5.77	-1.47	⬆️ -20.30%
CORNERST	4.15	-0.79	⬆️ -15.99%
NAHCO	99.30	-17.70	⬆️ -15.13%
TIP	13.75	-2.38	⬆️ -14.76%

Source: NGX, AIICO Capital

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Foreign Exchange

At the Nigerian Foreign Exchange Market (NFEM), the naira posted a moderate decline this week, largely driven by sustained demand pressures. Trading opened on a quiet note, with rates holding within the \$/₦1532–₦1535.5 band and a fixing of ₦1535.50, as the CBN conducted a sizable ₦1.6 trillion OMO auction. The market remained relatively steady through midweek, with only marginal movements around ₦1533. By Friday, the naira closed at \$/₦1535.5, marking a slight 7bps w/w depreciation. Meanwhile, external reserves strengthened by \$726.80 million to \$39.36 billion as of July 30, providing some cushion for market stability despite the demand-driven pressure.

**Outlook:** The Naira stability is expected to persist in the near term, underpinned by CBN policy refinements and supportive fiscal measures to sustain liquidity.

NFEM RATE (\$/₦)		Diff.
1-Aug-25	1,535.5000	
25-Jul-25	1,534.5000	↑ 1.0000

Source: FMDQ

Commodities

Despite a slight pullback on Friday, Global oil prices recorded over 2%w/w gain, supported by renewed concerns over sanctions on Iranian and Russian energy, traders weigh the effects of US tariffs reshaping global trade. Brent crude settled at \$69.5 per barrel, up \$1.45, or 2.13%, while U.S. West Texas Intermediate (WTI) crude rose \$2.16, or 3.32%, to finish at \$67.25. Similarly, gold prices spiked by gaining 0.8% after weaker-than-expected U.S. payrolls data boosted Federal Reserve rate cut expectations and fresh tariff announcements spurred safe-haven demand.

**Outlook:** Markets will closely watch the impact of U.S. tariffs and seek clarity on sanctions as a U.S. envoy visits Russia.

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)	39.36 (-3.72% YTD as of 31-Jul-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*69.50 (+1.46 w/w)

Source: NBS,CBN, AIICO Capital

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