WEEKLY FINANCIAL MARKETS.

Friday, 22 August 2025

MARKET COMMENTARY

System Liquidity

The interbank market experienced significant swings in liquidity and funding costs during the week. Rates opened elevated, with OPR and O/N climbing above 32% amid tight liquidity. Mid-week, a substantial ₦854 billion OMO maturity and ₦392.74 billion FGN bond coupon credit provided strong inflows, improving market liquidity and easing rates sharply to 26.50% and 27.00%, respectively. However, the CBN's ₦600 billion OMO issuance absorbed excess liquidity, temporarily pushing funding costs back toward 32.5%. Total subscriptions reached ₦1,015.19 billion, with ₦897.19 billion allotted. By week's end, system liquidity settled at a ₦287.76 billion credit, supporting relatively lower funding costs. Overall, the OPR declined 3.20% w/w to 28.90%, while O/N dropped 3.25% to 29.15%.

Outlook: *Next week's expected inflows, including ₦800 billion from SRA, ₦758 billion in OMO maturities, and ₦113.62 billion from FGN bond coupons, should boost interbank liquidity and push rates toward 26.5%, unless major funding pressures emerge.*

SYS. LIQ. (₦'BN)		Diff.
22-Aug-25	(609.43)	(514.87)
15-Aug-25	(94.56)	
Source: CBN		

Treasury Bills

The NTB market closed the week on a mixed but cautious note, shaped by tight system liquidity and active primary market interventions. Early sessions saw mild demand for short-dated papers, though longer-tenor bills faced upward repricing amid limited activity.

Mid-week, investors remained cautious ahead of the NTB auction, where subscription reached ₦396.42 billion, with ₦303.79 billion allotted. Stop rates adjusted upward on the 91-day (+35bps to 15.35%) and 364-day (+94bps to 17.44%) papers, while the 182-day remained steady at 15.50%. Later in the week, the CBN conducted a ₦600 billion OMO auction, significantly oversubscribed at ₦1.015 trillion, with ₦897.19 billion allotted at elevated stop rates of 25.50% and 25.99%. Overall, average NTB benchmark yields rose marginally by 1bp w/w to close at 16.97%.

Outlook: *Investor activity is likely to stay cautious with a mixed to bearish tone.*

BENCHMARK T-BILLS DISCOUNT RATES			
	22-Aug-25	15-Aug-25	Change in Rates
90 DAYS	16.21%	16.70%	-0.49%
181 DAYS	16.78%	18.38%	-1.60%
363 DAYS	17.19%	19.11%	-1.92%
Source: FMDQ DQL for 22-Aug-2025			

NTB AUCTION RESULT - 20 August 2025			
AUCTION DATE	20-Aug-25		
SETTLEMENT DATE	21-Aug-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	20-Nov-25	19-Feb-26	20-Aug-26
OFFER AMOUNT (₦'BN)	50.0000	30.0000	150.0000
SUBSCRIPTION AMOUNT (₦'BN)	10.8949	29.3504	356.1779
ALLOTMENT AMOUNT (₦'BN)	7.7034	27.7038	268.3827
RANGE OF BIDS	14.45% - 16.03%	15.00% - 16.50%	15.88% - 23.00%
CURRENT STOP RATE: DISCOUNT (YIELD)	15.350% (15.961%)	15.500% (16.798%)	17.440% (21.112%)
LAST STOP RATE: DISCOUNT (YIELD)	15.000% (15.583%)	15.500% (16.798%)	16.500% (19.750%)
CHANGE: DISCOUNT (YIELD)	+0.350% (+0.378%)	+0.000% (+0.000%)	+0.940% (+1.362%)

FGN Bonds

The FGN bonds market traded quietly through the week, with a mild bearish tone dominating sentiment. Activity was largely concentrated on the mid-curve, particularly the 2029s, 2031s, 2032s, and 2033s, though overall trading volumes stayed light. Early sessions were mixed, with slight pressures at the short- to mid-end of the curve, while later in the week bearish offers emerged on benchmark papers such as the 2031s, 2032s, and 2033s, pushing yields higher. Interest was also noted on the May 2033s and February 2034s, though most trades were isolated. The release of the August 2025 FGN Bond Offer Circular, with N200 billion on offer, kept investors cautious. Consequently, the average mid-yield closed the week 9bps higher at 17.15%.

Outlook: *Trading is likely to remain cautious as markets await the FGN bond auction and assess liquidity conditions.*

BENCHMARK FGN BOND YIELDS	22-Aug-25	15-Aug-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	16.89%	16.90%	↓ -0.01%
10 YRS: 22.60% 29-JAN-2035	15.66%	15.66%	↑ 0.00%
13 YRS: 15.45% 21-JUN-2038	16.24%	15.87%	↑ 0.38%
28 YRS: 15.70% 21-JUN-2053	16.07%	16.07%	↓ 0.00%

Source: FMDQ DQL for 22-Aug-2025

Eurobonds

African Eurobonds traded through a volatile week as shifting global cues kept investors cautious. Early sessions were dominated by bearish sentiment despite firmer oil prices, as fading hopes for a September Fed rate cut weighed on risk appetite. Geopolitical uncertainty also clouded sentiment, with U.S. pressure on Russia-Ukraine talks and European leaders reaffirming support for Ukraine. Midweek, bonds extended losses after the Fed minutes signaled persistent inflation concerns, though oil-linked names like Nigeria and Angola later drew support from higher crude. By week's end, sentiment reversed sharply as Fed Chair Powell suggested rate cuts could start as early as next month. This triggered a rally, with Nigerian Eurobonds closing stronger as average mid-yields declined 10bps w/w to 7.86%.

Outlook: *African Eurobonds are likely to trade bullish amid the Fed chair's openness to near-term rate cuts.*

BENCHMARK FGN EUROBOND YIELDS	22-Aug-25	15-Aug-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.74%	6.94%	↓ -0.20%
10 YRS: NGERIA 7.375% 09/29/3	8.23%	8.32%	↓ -0.09%
15 YRS: NGERIA 7.696% 23/02/3	8.80%	8.90%	↓ -0.10%
30 YRS: NGERIA 8.25% 09/29/51	9.33%	9.47%	↓ -0.14%
8.75% ETI 06/17/31*	6.63%	7.93%	↓ -1.30%

Source: FBN UK Runs for 22-Aug-2025

Nigerian Equities

The Nigerian equities market closed the week on a bearish note, with the All-Share Index losing 2.51% w/w to close at 141,004.14 points, as profit-taking in DANGCEM, BUACEMENT, MTNN, STANBIC, and WAPCO outweighed late-week recovery in ZENITHBANK, TRANSCORP, GTCO, and BUAFOODS. Market activity was also shaped by large off-market crosses in CHAMPION, ZENITHBANK, and FCMB, reflecting strong institutional play. Sectoral momentum shifted, with insurance names cooling while investors rotated into fundamentally strong stocks. On the corporate front, Champion Breweries announced plans to acquire Bullet, while several counters including BUAFOODS, CONHALL, CUSTODIAN, and CUTIX traded ex-dividend. Notably, BUAFOODS and CHAMPION hit fresh 52-week highs, while UBA and CHAMS launched rights issues. Overall, offshore interest remained visible across NB, MTNN, STANBIC, and GTCO.

Outlook: *We anticipate the profit-taking to continue, though selective buying may target fundamentally strong equities.*

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.48%	↓ -2.51%	↑ 0.82%	↑ 37.00%
NSE Banking Index	↑ 0.83%	↓ -3.48%	↓ -3.93%	↑ 42.67%
NSE Insurance Index	↑ 7.06%	↓ -4.17%	↑ 45.79%	↑ 80.62%
NSE Industrial Goods Index	↓ -0.08%	↓ -8.42%	↑ 2.20%	↑ 39.76%
NSE Consumer Goods Index	↑ 1.08%	↑ 0.83%	↑ 9.89%	↑ 85.89%
NSE Oil & Gas Index	↑ 0.07%	↓ -0.84%	↓ -3.78%	↓ -12.03%

Source:NGX, AIICO Capital

Top 5 Equity Advancers W-o-W

Ticker	Px	% Change	Points	% Mov
BUAFOODS	590.00	↑ 2.61%	↑ 495.86	↑ 13.68%
DANGSUGAR	60.00	↑ 7.24%	↑ 90.35	↑ 2.49%
UNILEVER	76.50	↑ 6.99%	↑ 52.75	↑ 1.46%
BETAGLAS	449.35	↑ 10.00%	↑ 45.01	↑ 1.24%
CUSTODIAN	40.75	↑ 9.40%	↑ 37.81	↑ 1.04%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W

Ticker	Px	% Change	Points	% Mov
DANGCEM	520.00	↓ -9.88%	↓ 1,783.84	↓ -49.22%
BUACEMENT	151.80	↓ -9.96%	↓ 1,044.84	↓ -28.83%
STANBIC	94.00	↓ -15.39%	↓ 406.91	↓ -11.23%
MTNN	435.00	↓ -2.25%	↓ 373.82	↓ -10.31%
GTCO	94.00	↓ -3.79%	↓ 199.99	↓ -5.52%

Source: NGX, AIICO Capital

Foreign Exchange

The FX market traded with mixed momentum through the week as demand and supply dynamics shaped flows. Early sessions opened with weak demand, pushing the Naira to lows of $/₦1529.00, before fresh buying interest lifted offers to the $/₦1535.00 range. Midweek, bids consistently outweighed offers, with demand pressure driving trades as high as $/₦1538.50 in decent volumes. The absence of the CBN during this period constrained liquidity, though later interventions of about $50 million alongside inflows from an oiler helped ease pressure and narrow spreads. By week's close, trades stabilized within $/₦1534.50–1536.00, with the Naira depreciating 16bps w/w to $/₦1535.04. Meanwhile, external reserves rose by $242 million to $41.07 billion.

Outlook: *The naira is likely to hold steady in the near term, supported by continued FX intervention from the CBN.*

NFEM RATE ($/₦)		Diff.
22-Aug-25	1,535.0379	
15-Aug-25	1,532.5145	2.5234
Source: FMDQ		

Commodities

Oil prices held steady on Friday as uncertainty lingered over a possible Russia-Ukraine peace agreement, though both benchmarks posted their first weekly gains in three weeks. Brent crude edged up 6 cents to $67.73 per barrel, while U.S. West Texas Intermediate added 14 cents to $63.66. On the week, Brent rose 2.9% and WTI gained 1.4%. Meanwhile, gold prices rebounded, lifted by growing expectations of a September rate cut after comments from Federal Reserve Chair Jerome Powell at Jackson Hole. Spot gold climbed 1.1% to $3,373.89 per ounce, with U.S. futures also up 1.1% at $3,418.50.

Outlook: *Oil prices will likely remain under pressure next week as ceasefire uncertainty persists and negotiations progress slower than markets anticipated.*

MACRO INDICATORS	
GDP (Q1 2025)	+3.13% (Q4: 2024 +3.84% y/y)
INFLATION (JUNE 2025)	21.88% (Jun'25: 22.22%)
EXTERNAL RESERVE (US$'BILLION)	41.08 (+0.49% YTD as of 21-Aug-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US$/BBL	*67.73 (+1.55 w/w)
Source: NBS,CBN, AIICO Capital	