Thursday, 18 September 2025

MARKET COMMENTARY

System Liquidity

The interbank market maintained ample liquidity today despite the second tranche repayment of the Cross Currency Swap (estimated at ₦660 billion) and a net NTB settlement of ₦267 billion. As a result, rates held firm at 26.5%. The Overnight Policy Rate remained at 26.50%, while the Overnight rate decreased by 4 bps to 26.96%. Separately, the Federation Account Allocation Committee concluded its meeting on 17 September 2025, approving a total distribution of ₦2.225 trillion to the three tiers of government, with an estimated ₦1.415 trillion expected to enter the market.

Outlook: *The interbank rates are expected to continue trading at current level barring any funding pressure.*

SYS. LIQ. (₦'BN)		Diff.
18-Sep-25	2,683.04	
17-Sep-25	2,866.25	↓ (183.21)
Source: CBN		

Eurobonds

African Eurobonds traded mixed to bearish despite the Fed's 25 bps rate cut on Wednesday. While the dot plot indicated two additional cuts in 2025, Chair Powell's caution that there is "no risk-free path" amid high inflation and labor weakness dampened sentiment. Thursday's jobless claims showed mixed signals: new filings declined after a prior surge, but hiring nearly stalled as labor demand softened. Nigerian Eurobond yields rose 13 bps to 7.87%.

Outlook*: Mixed sentiments are likely to continue, with selective interest in attractively priced papers.*

Treasury Bills

The Treasury bills market saw active trading with a bullish tone, driven by strong demand for the 17-Sep bill, which was quoted at 16.15/15.60%. The 3-Sep bill also attracted interest. Moderate activity occurred on the OMO curve, particularly on the 7-Apr and 17-Feb tenors. The benchmark NTB mid-rate declined by 43 bps to 16.12%.

Outlook: *Tomorrow's session is likely to maintain a bullish tone, supported by ample liquidity.*

BENCHMARK T-BILLS DISCOUNT RATES			
	18-Sep-25	17-Sep-25	Change in Rates
91 DAYS	16.68%	16.68%	↓ 0.00%
182 DAYS	16.25%	16.25%	→ 0.00%
350 DAYS	16.31%	16.82%	↓ -0.51%
Source: FMDQ DQL for 18-Sep-2025			

FGN Bonds

The FGN bonds market traded calmly with limited activity. Selective demand emerged for mid-dated bonds, including a few trades on the 2032s at 16.35% and the 2033s at 16.15%. The average mid-yield declined by 3 bps to 16.25%.

Outlook: *Activity tomorrow is likely to remain mixed as investors await next week's MPC decision.*

BENCHMARK FGN BOND YIELDS			
	18-Sep-25	17-Sep-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	16.66%	16.66%	↓ 0.00%
10 YRS: 22.60% 29-JAN-2035	16.68%	16.68%	↑ 0.00%
13 YRS: 15.45% 21-JUN-2038	16.00%	16.00%	↑ 0.00%
28 YRS: 15.70% 21-JUN-2053	15.94%	15.94%	↓ 0.00%
Source: FMDQ DQL for 18-Sep-2025			

BENCHMARK FGN EUROBOND YIELDS			
	18-Sep-25	17-Sep-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	7.07%	6.95%	0.12%
10 YRS: NGERIA 7.375% 09/29/3	8.06%	8.02%	0.04%
15 YRS: NGERIA 7.696% 23/02/3	8.55%	8.49%	0.06%
30 YRS: NGERIA 8.25% 09/29/51	9.19%	9.12%	0.07%
8.75% ETI 06/17/31*	6.43%	5.94%	0.49%
Source: FBN UK Runs for 18-Sep-2025			

	D-o-D	W-o-W	MTD	YTD
NGX ASI	0.16%	1.14%	1.40%	38.22%
NSE BANKING INDEX	-0.23%	0.32%	-0.52%	40.22%
NSE INSURANCE INDEX	-1.07%	-4.04%	-1.43%	76.22%
NSE INDUSTRIAL GOODS INDEX	0.01%	-1.33%	-0.91%	38.00%
NSE CONSUMER GOODS INDEX	0.75%	4.71%	4.62%	92.76%
NSE OIL & GAS INDEX	0.28%	3.93%	4.55%	-8.19%

Nigerian Equities

The Nigerian bourse closed positive as the ASI advanced 16bps to 142,263.07 points, bringing YTD gains to 38.22%. Market breadth was moderately strong with 30 gainers against 20 decliners. GUINNESS (+10.00%) led the gainers, while CONHALLPLC (-7.59%) topped the losers. ACCESSCORP led volumes with 37.24m shares, while ZENITHBANK recorded the highest value traded at N1.6bn.Sectoral performance was mixed. The NGX Banking Index fell 23bps as ZENITHBANK (-1.42%), FCMB (-0.92%) and ACCESSCORP (-0.37%) dragged, offsetting modest gains in GTCO (+0.74%) and FIDELITYBK (+0.24%). Consumer Goods rose 75bps, buoyed by GUINNESS (+10.00%), DANGSUGAR (+3.33%) and NB (+1.71%). Oil & Gas added 28bps on ARADEL (+0.86%) despite OANDO (-0.51%), while Industrials edged up 1bp on CUTIX (+2.79%).Value traded dropped sharply by 65.94% to $5.59m, reflecting a quiet session until late crosses in FIDELITYBK, ACCESSCORP and UBA. GUINNESS and DANGSUGAR provided the major lift, while ZENITHBANK's mixed H1 results pressured sentiment.

Outlook: *Tomorrow's market sentiment is likely to be mixed.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
GUINNESS	176.00	16.00	10.00%
EUNISELL	30.60	2.75	9.89%
REGALINS	1.79	0.16	9.82%
THOMASWY	2.69	0.24	9.80%
MCNICHOLS	3.90	0.34	9.58%
Source: NGX, AIICO Capital			

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CONHALLPLC	4.02	-0.33	-7.59%
TIP	12.00	-0.90	-7.00%
SOVRENINS	2.87	-0.19	-6.21%
OMATEK	1.10	-0.06	-5.17%
WAPIC	3.20	-0.14	-4.19%
Source: NGX, AIICO Capital			

Foreign Exchange

The naira depreciated 0.33% to close at ₦1,498.9763, pressured by sustained FX demand and limited supply. The CBN intervened in the NFEM to provide support, with the currency trading between ₦1,487.00 and ₦1,510.00 during the session. Nigeria's gross reserves increased to $41.95 billion as of 17 September 2025, rising by $109.81 million from the previous day.

Outlook: *The naira is likely to remain relatively stable, supported by continued growth in external reserves.*

NFEM RATE ($/₦)		Diff.
18-Sep-25	1,498.9763	
17-Sep-25	1,494.0126	4.9637
Source: CBN		

Commodities

Oil prices weakened on Thursday as worries about the U.S. economy outweighed optimism from the Federal Reserve's first rate cut of the year. Brent crude slid 63 cents, or 0.9%, to $67.32 a barrel, while U.S. WTI lost 66 cents, or 1%, to $63.39. Gold also retreated as investors booked profits following Wednesday's record rally, with markets digesting the Fed's outlook on further easing. Spot gold dipped 0.4% to $3,643.40 per ounce, while U.S. gold futures for December delivery closed 1.1% lower at $3,678.30, though bullion remains near historic highs.

Outlook: *We anticipate a rise in oil demand following the U.S. interest rate cut, particularly from Asian markets.*

MACRO INDICATORS	
GDP (Q1 2025)	+3.13% (Q4: 2024 +3.76% y/y)
INFLATION (AUGUST 2025)	20.12% (Jul'25: 21.88%)
EXTERNAL RESERVE (US$'BILLION)	41.95 (+2.63% YTD as of 17-Sep-25)
MONETARY POLICY RATE (JULY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US$/BBL	*67.32 (-0.90 d/d)
Source: NBS,CBN, AIICO Capital	