

WEEKLY FINANCIAL MARKETS.



Friday, 05 September 2025

MARKET COMMENTARY

System Liquidity

The interbank market remained liquid throughout the week, with funding rates broadly stable despite heavy flows. The system opened with ₦1.39 trillion in credit and closed higher at ₦2.22 trillion, boosted by ₦459 billion in OMO maturities, Remita inflows, state infrastructure funds of about ₦100 billion, and 13% derivatives to oil-producing states. The CBN intervened with a ₦600 billion OMO auction that attracted strong demand, allotting ₦620.65 billion, alongside a ₦251.28 billion net CRR debit and FX settlements. Despite these mop-ups and a net NTB auction settlement of ₦260.84 billion, liquidity stayed ample. Consequently, interbank rates traded at the lower end, holding largely at 26.5%. At the close, the Overnight Policy Rate (OPR) was steady at 26.50%, while the Overnight (O/N) rate inched up 5bps to 27.00% w/w.

Outlook: Next week's liquidity is expected to remain strong with ₦184.75 billion in NTB maturities incoming. Interbank rates should hold around 26.5% given the surplus, though they may rise if the central bank conducts aggressive liquidity absorption through an OMO auction.

SYS. LIQ. (₦'BN)	Diff.
4-Sep-25	1,639.02
29-Aug-25	1,402.15
	↑ 236.86

Source: CBN

Treasury Bills

The Treasury bills market traded quietly for most of the week, with activity largely muted ahead of the primary auctions. Early sessions saw limited interest in the 20-Aug NTB, alongside the 7-Apr and 17-Feb OMO bills, while the 4-Dec NTB attracted mild buying.

Midweek, the CBN conducted an OMO auction, offering ₦600 billion on a single 84-day paper. Demand was strong, with subscriptions of ₦1.179 trillion and allotments of ₦620.65 billion at a stop rate of 26.44%. The NTB auction also drew robust participation, with ₦1.012 trillion bids against ₦480 billion offered, and ₦585.25 billion allotted. Stop rates settled at 15.32%, 15.50%, and 17.69% for the 91, 182, and 364-day papers, respectively. Overall, average NTB yields declined 50bps w/w to close at 17.16%.

Outlook: Sentiment in the NTB Treasury bills market is likely to be mixed to bullish, influenced by current liquidity conditions.

BENCHMARK T-BILLS DISCOUNT RATES			
	04-Sep-25	29-Aug-25	Change in Rates
91 DAYS	16.48%	17.75%	↓ -1.27%
182 DAYS	17.30%	16.78%	↑ 0.52%
350 DAYS	16.81%	16.88%	↓ -0.07%

Source: FMDQ DQL for 04-Sep-2025

NTB AUCTION RESULT - 03 September 2025			
AUCTION DATE	03-Sep-25		
SETTLEMENT DATE	04-Sep-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	4-Dec-25	5-Mar-26	3-Sep-26
OFFER AMOUNT (₦'BN)	50.0000	80.0000	350.0000
SUBSCRIPTION AMOUNT (₦'BN)	35.2967	38.3553	938.8694
ALLOTMENT AMOUNT (₦'BN)	34.7032	38.3553	512.1908
RANGE OF BIDS	15.00% - 18.03%	15.00% - 15.50%	16.50% - 21.02%
CURRENT STOP RATE: DISCOUNT (YIELD)	15.320% (15.928%)	15.500% (16.798%)	17.690% (21.479%)
LAST STOP RATE: DISCOUNT (YIELD)	15.350% (15.961%)	15.500% (16.798%)	17.440% (21.112%)
CHANGE: DISCOUNT (YIELD)	-0.030% (-0.032%)	+0.000% (+0.000%)	+0.250% (+0.367%)

FGN Bonds

The FGN bonds market traded quietly through most of the week, with limited activity across the curve. Early sessions saw modest interest in the 2029s, 2031s, 2033s, and 2053s, though executed volumes were thin. As the week progressed, activity picked up slightly with cautious bullish sentiment, particularly around the belly of the curve. Buying interest in the 2031s and 2033s supported a mild rally, with yields on these papers compressing by about 25bps and 40bps respectively. Despite the subdued trading environment, investors maintained a cautious tone, keeping overall activity light. By week's close, average mid-yields declined 4bps week-on-week to 17.00%.

Outlook: Sentiment in the FGN bonds market is likely to be mixed to bullish, supported by current liquidity levels.

BENCHMARK FGN BOND YIELDS			
	04-Sep-25	29-Aug-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	17.77%	17.86%	↓ -0.09%
10 YRS: 22.60% 29-JAN-2035	16.66%	17.06%	↓ -0.40%
13 YRS: 15.45% 21-JUN-2038	16.00%	16.00%	↓ 0.00%
28 YRS: 15.70% 21-JUN-2053	16.01%	16.07%	↓ -0.06%
Source: FMDQ DQL for 04-Sep-2025			

Eurobonds

African Eurobonds traded mixed through the week, beginning quietly on Monday as U.S. markets observed the Labor Day holiday. Mild buying interest surfaced in Nigerian and Angolan papers, supported by higher oil prices. However, sentiment turned bearish as trading resumed, with broad selloffs across Sub-Saharan and North African papers, driven by legal uncertainty over Trump's tariffs, lingering Fed independence concerns, and weak U.S. manufacturing data. Midweek, momentum shifted bullish despite softer oil prices, as weaker U.S. labor market data signaled easing demand and reinforced rate-cut expectations. Gains extended into Thursday and Friday, with strong buying across the African curve following a dismal U.S. jobs report that confirmed slowing labor conditions. Overall, Nigerian Eurobond yields fell by 11bps w/w to 7.87%.

Outlook: Based on the jobs data, a September Fed rate cut is now fully expected, with some speculation of a 50bps move. The report, released amid White House efforts to reshape the Fed, prompted President Trump to publicly criticize Chair Powell for being "Too Late" to cut rates.

BENCHMARK FGN EUROBOND YIELDS			
	05-Sep-25	29-Aug-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.84%	6.92%	↓ -0.08%
10 YRS: NGERIA 7.375% 09/29/31	8.15%	8.26%	↓ -0.11%
15 YRS: NGERIA 7.696% 23/02/31	8.69%	8.82%	↓ -0.13%
30 YRS: NGERIA 8.25% 09/29/51	9.30%	9.41%	↓ -0.11%
8.75% ETI 06/17/31*	5.38%	5.77%	↓ -0.39%
Source: FBN UK Runs for 04-Sep-2025			

Nigerian Equities

The market closed the week on a bearish note, shedding 94bps w/w to end at 138,980.01 points, as selloffs in WAPCO, UBA, OANDO, DANGSUGAR, and ZENITHBANK weighed on performance. Despite the shortened week, mild recoveries in tier-1 banks and TRANSCORP on Thursday offered some relief, though not enough to offset overall weakness. Offshore investors remained active in NB, ZENITHBANK, STERLINGNG, ACCESSCORP, and GTCO. On the corporate front, Unity Bank announced a court-ordered meeting for its planned merger with Providus Bank, while Fidson signed an MOU with a Japanese partner at TICAD9. Trading suspensions hit several insurance firms for delayed filings, though UNIVINSURE was later reinstated. Off-market, 4.7m SEPLAT shares crossed, while dividend adjustments and ongoing rights issues added to the week's highlights.

Outlook: Interest is expected to gradually return to fundamentally sound equities offering attractive entry levels after recent sell-offs, though overall caution will likely persist in the absence of a positive market catalyst.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.60%	↓ -0.94%	↓ -0.94%	↑ 35.03%
NSE Banking Index	↑ 0.98%	↓ -1.52%	↓ -1.52%	↑ 38.81%
NSE Insurance Index	↑ 6.73%	↓ -0.36%	↓ -0.36%	↑ 78.13%
NSE Industrial Goods Index	↑ 0.00%	↓ -2.08%	↓ -2.08%	↑ 36.36%
NSE Consumer Goods Index	↑ 1.54%	↓ -1.18%	↓ -1.18%	↑ 82.07%
NSE Oil & Gas Index	↑ 0.03%	↓ -0.77%	↓ -0.77%	↓ -12.87%
Source: NGX, AIICO Capital				

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
TRANSCORP	49.70	↑ 5.74%	↑ 201.56	↑ 15.32%
CORNERST	7.18	↑ 12.36%	↑ 26.36	↑ 2.00%
HONYFLOUR	23.20	↑ 2.88%	↑ 9.47	↑ 0.72%
NGXGROUP	60.00	↑ 3.81%	↑ 7.94	↑ 0.60%
SOVREINIS	2.97	↑ 14.23%	↑ 7.72	↑ 0.59%
Source: NGX, AIICO Capital				

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
WAPCO	113.00	↓ -13.08%	↓ 502.90	↓ -38.23%
UBA	46.75	↓ -3.91%	↓ 119.34	↓ -9.07%
OANDO	47.15	↓ -7.91%	↓ 92.46	↓ -7.03%
DANGSUGAR	55.00	↓ -5.17%	↓ 66.92	↓ -5.09%
ZENITHBANK	64.90	↓ -1.67%	↓ 63.43	↓ -4.82%
Source: NGX, AIICO Capital				

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Foreign Exchange

The FX market opened the week on a calm note, with balanced flows keeping rates stable around \$/₦1527–1533 and no need for CBN intervention. Mid-week, offshore supply and opportunistic buying supported sentiment, lifting NAFEX fixing to \$/₦1528.13. Activity remained fluid with tight bid-offer spreads, as rates retraced to \$/₦1527.00 before stabilizing. Momentum improved further as the CBN intervened with \$15 million and additional portfolio flows boosted supply, driving a sharp rally to the \$/₦1519–1523 range. By week’s end, the naira sustained gains, trading between \$/₦1508.00 and \$/₦1529.00. Overall, the currency appreciated strongly, closing at \$/₦1,514.8671, while foreign reserves rose by \$232.10 million w/w to \$41.49 billion.

Outlook: The naira is expected to remain stable in the near term, supported by improved US dollar supply.

NFEM RATE (\$/₦)		Diff.
4-Sep-25	1,514.8671	
29-Aug-25	1,531.5703	↓ (16.7032)
Source: FMDQ		

Commodities

Oil prices dropped sharply on Friday after weak U.S. jobs data darkened the demand outlook, with worries of further supply growth ahead of the weekend OPEC+ meeting. Brent crude slid \$1.88, or 2.81%, to \$65.11 per barrel, while U.S. West Texas Intermediate fell \$1.94, or 3.06%, to \$61.54. In contrast, gold’s rally accelerated, with prices nearing \$3,600 as the disappointing jobs report fueled expectations of Fed rate cuts. Spot gold gained 1.5% to \$3,596.01 after touching a record \$3,599.89, setting up its strongest weekly advance in nearly four months. U.S. December futures climbed 1.3% to \$3,651.90.

Outlook: The weak jobs report significantly raises pressure on the Fed to cut interest rates. Meanwhile, expectations are building for OPEC+ to increase oil output at its upcoming meeting to regain market share.

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	

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