

WEEKLY FINANCIAL MARKETS.



Friday, 12 September 2025

MARKET COMMENTARY

System Liquidity

The interbank market sustained robust liquidity throughout the week, supported by inflows from ₦184.75 billion NTB maturities, ₦45.50 billion OMO maturities, and Remita flows, despite CRR debits and CBN FX settlements. Market liquidity rose by ₦446.13 billion w/w to close in a credit balance of ₦2.085 trillion from ₦1.639.02 trillion. Consequently, funding conditions remained stable, with little trading activity as interbank rates hovered around the 26.5% level. The Overnight Policy Rate (OPR) held steady at 26.50% all week, while the Overnight (O/N) rate traded within a narrow band, ultimately declining 4bps w/w to close at 26.96%.

Outlook: Next week, rates are likely to hold near 26.5% as anticipated inflows from OMO maturities (₦204.87 billion) and FGN bond coupons (₦141.72 billion) support liquidity. However, rates could rise if the CBN conducts aggressive liquidity absorption through an OMO auction.

SYS. LIQ. (₦'BN)		Diff.
12-Sep-25	2,085.15	
4-Sep-25	1,639.02	↑ 446.13

Source: CBN

Treasury Bills

The T-bills secondary market traded quietly through most of the week, with activity concentrated on a few benchmark papers. Early in the week, modest trades were seen on the 3-Sep and 23-Jul bills, while buy interest emerged on select OMO maturities such as Jan, Feb, and Apr papers, though limited offers kept volumes light.

Midweek, trading gained a slightly bullish tone across short to long tenors, but wide bid-ask spreads constrained deal closures, with some activity on the 4-Dec and 23-Apr NTBs. By week's end, cherry-picking persisted across the curve, with mild interest on the 4-Dec, 19-Feb, 19-Mar, and 3-Sep bills, alongside demand for the 7-Apr, 14-Apr, and 17-Mar OMO bills. Overall, NTB yields inched higher by 7bps w/w, closing at 17.23%.

Outlook: Next week's NTB primary market auction will offer ₦290 billion across the 91-day, 182-day, and 364-day tenors, against ₦78 billion in maturities during the same period.

BENCHMARK T-BILLS DISCOUNT RATES				
	12-Sep-25	04-Sep-25	Change in Rates	
90 DAYS	17.07%	16.48%	↑	0.59%
181 DAYS	17.34%	17.30%	↑	0.04%
356 DAYS	17.20%	16.81%	↑	0.39%

Source: FMDQ DQL for 12-Sep-2025

FGN Bonds

The FGN bonds market maintained a bullish undertone throughout the week, though trading volumes stayed light due to wide bid-offer spreads. Early sessions saw strong interest in mid-dated papers, with the 2031s and 2033s leading the rally as yields dropped sharply. Midweek, demand for the 2029s, 2031s, and 2033s kept yields trending lower, with the 2031s quoted around 16.60% and the 2033s at 16.50%. By week's end, activity remained focused on the 2027s, New 2029s, 2031s, and 2033s, alongside slight interest in the 2034s. The bullish sentiment held firm, with the 2031s and 2033s axed around 16.85%/16.65% and 16.75%/16.40% respectively. Overall, average yields declined by 53bps w/w, closing at 16.47%.

Outlook: Trading in the bonds market is likely to remain cautious.

BENCHMARK FGN BOND YIELDS				
	12-Sep-25	04-Sep-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	16.66%	17.77%	↓	-1.11%
10 YRS: 22.60% 29-JAN-2035	16.67%	16.66%	↑	0.01%
13 YRS: 15.45% 21-JUN-2038	16.00%	16.00%	↑	0.00%
28 YRS: 15.70% 21-JUN-2053	15.94%	16.01%	↓	-0.07%

Source: FMDQ DQL for 12-Sep-2025

Eurobonds

African Eurobonds traded mixed through the week but closed stronger as markets focused on the upcoming Fed decision. Early gains were driven by weaker U.S. payroll data and growing confidence in a September rate cut, with probabilities fully pricing a 25bps reduction and a slim chance of 50bps. Sentiment wavered midweek after sharp downward revisions in U.S. job growth, though softer wholesale inflation and cooling PPI reinforced easing expectations. By Thursday, CPI data showed headline inflation rising to 2.9% y/y, alongside higher jobless claims, deepening conviction the Fed will act. Investors also tracked geopolitical risks, including Trump's tariff push and rising Russia tensions. At week's end, Eurobonds consolidated, with Nigerian papers finishing firmer as average mid-yield dipped 3bps w/w to 7.84%.

Outlook: Investors are confident that inflation remains subdued enough for the Fed to cut rates next week, with further easing expected this year. Markets price in a over 90% chance of a 25-bps cut at the September meeting, and roughly a 75% probability of three total rate reductions by year-end.

BENCHMARK FGN EUROBOND YIELDS				
	12-Sep-25	05-Sep-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	6.99%	6.84%	↑	0.15%
10 YRS: NGERIA 7.375% 09/29/31	8.04%	8.15%	↓	-0.11%
15 YRS: NGERIA 7.696% 23/02/31	8.59%	8.69%	↓	-0.10%
30 YRS: NGERIA 8.25% 09/29/51	9.26%	9.30%	↓	-0.04%
8.75% ETI 06/17/31*	5.63%	5.38%	↑	0.25%

Source: FBN UK Runs for 12-Sep-2025

Nigerian Equities

The equities market staged a rebound this week as bargain hunting resurfaced, particularly in tier-one banking stocks—ZENITHBANK, UBA, ACCESSCORP, GTCO, and FCMB—ahead of their half-year earnings. Positive sentiment also extended to ARADEL, WAPCO, GUINNESS, TRANSPower, DANGSUGAR, and AIICO, driving the index to a 113bps weekly gain.

However, selloffs persisted in DANGCEM and TRANSCORP, while offshore players stayed active in STERLINGNG, NB, ZENITHBANK, ACCESSCORP, and FIRSTHOLDCO. In corporate actions, SOVRENINS was marked down for dividend, REDSTAREX and BETAGLAS were reclassified into higher price groups, and REGALINS saw its trading suspension lifted. Meanwhile, rights issues for UBA, CHAMS, and IMG remain open, with closing dates in September and early October. Overall, sentiment improved, lifting market momentum.

Outlook: As bargain hunting slowly resumes, investors are likely to focus on banking stocks ahead of half-year earnings and potential portfolio rebalancing, while keeping a close watch on macroeconomic developments.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.09%	↑ 1.13%	↑ 0.18%	↑ 36.55%
NSE Banking Index	↑ 0.97%	↑ 1.68%	↑ 0.13%	↑ 41.13%
NSE Insurance Index	↓ -0.62%	↑ 2.45%	↑ 2.08%	↑ 82.49%
NSE Industrial Goods Index	↓ -1.39%	↑ 1.13%	↓ -0.97%	↑ 37.91%
NSE Consumer Goods Index	↓ -0.13%	↑ 0.98%	↓ -0.21%	↑ 83.85%
NSE Oil & Gas Index	↑ 0.98%	↑ 2.38%	↑ 1.59%	↓ -10.79%

Source: NGX, AIICO Capital

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
WAPCO	128.00	↑ 13.27%	↑ 443.74	↑ 28.34%
ZENITHBANK	68.00	↑ 4.78%	↑ 178.75	↑ 11.42%
UBA	48.70	↑ 4.17%	↑ 122.48	↑ 7.82%
DANGSUGAR	60.00	↑ 9.09%	↑ 111.54	↑ 7.12%
ETRANZACT	14.95	↑ 45.15%	↑ 78.57	↑ 5.02%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
DANGCEM	511.20	↓ -1.73%	↓ 281.66	↓ -17.99%
TRANSCORP	46.10	↓ -7.24%	↓ 268.74	↓ -17.16%
STANBIC	98.00	↓ -1.95%	↓ 46.40	↓ -2.96%
FIRSTHOLDCO	31.60	↓ -2.17%	↓ 46.15	↓ -2.95%
UNILEVER	67.15	↓ -4.07%	↓ 30.07	↓ -1.92%

Source: NGX, AIICO Capital

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Foreign Exchange

The naira traded stronger through the week as ample dollar liquidity from FPIs, oil exporters, and offshore flows supported an offered market tone. Early in the week, trades closed between ₦1500–₦1514/\$, with expectations tilted toward continued appreciation. Midweek, the CBN stepped in with moderate interventions, selling around \$15mio and \$8.4mio across sessions, which further anchored rates lower. Fixing improved consistently, appreciating from ₦1507.89/\$ to ₦1503.11/\$. Later in the week, activity slowed, spreads tightened, and demand modestly improved as sell pressure eased, though liquidity conditions remained favorable. By week’s close, trades ranged between ₦1498.00–₦1503.50/\$, with the naira appreciating overall by 88.25 bps w/w to \$/₦1,501.4991. Foreign reserves rose \$125.55 million w/w to \$41.66 billion.

Outlook: In the near term, the FX market is expected to maintain its current stability, supported by the CBN’s continued policy adjustments and fiscal efforts to ensure adequate liquidity.

NFEM RATE (\$/₦)		Diff.
12-Sep-25	1,501.4991	
4-Sep-25	1,514.8671	↓ (13.3680)

Source: FMDQ

Commodities

Oil prices climbed Friday after a Ukrainian drone strike halted exports from Russia’s largest western port, though U.S. demand concerns capped gains. Brent rose 0.93% to \$66.99, WTI gained 0.51% to \$62.69. Gold advanced 0.4% to \$3,648.55, near record highs, supported by weak U.S. labor data and Fed rate-cut bets. Futures settled 0.3% higher at \$3,686.40, marking a fourth straight weekly gain.

Outlook: Markets are closely monitoring potential sanctions or tariffs from the Trump administration targeting Indian and Chinese imports of Russian crude oil.

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)	41.66 (+1.92% YTD as of 11-Sep-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*66.99 (+1.88 w/w)

Source: NBS,CBN, AIICO Capital

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