

WEEKLY FINANCIAL MARKETS.



Friday, 26 September 2025

MARKET COMMENTARY

System Liquidity

The interbank market sustained robust liquidity throughout the week, back of significant inflows from FGN bond coupons (₦259.04bn from Mar 26s, 27s & 28s), FAAC disbursements of about ₦1.30trn, as well as OMO and NTB maturities of roughly ₦254.90bn and ₦201.38bn, respectively. Deposit Money Banks (DMBs) actively placed excess funds at the CBN's SDF window, with daily balances ranging between ₦1.70trn and ₦3.73trn, peaking towards the latter part of the week. Funding costs eased sharply, reflecting the MPC's 50bps cut in the MPR to 27.00% and an adjustment to the policy corridor. As a result, the average funding cost fell by 204bps w/w to 24.69%, while the OPR and O/N rates declined by 200bps and 208bps to 24.50% and 24.88%, respectively.

Outlook: Next week, rates are likely to decline further, driven by expected inflows from coupon payments of ₦164.29bn (FGN Mar 2035 and FGN Mar 2050) and an OMO maturity of ₦731.14bn (30 Sept 2025), to enhance system liquidity.. However, any aggressive liquidity absorption through an OMO auction could drive the rates higher.

SYS. LIQ. (₦'BN)		Diff.
26-Sep-25	4,018.90	
19-Sep-25	1,666.62	↑ 2,352.28

Source: CBN

Treasury Bills

The T-bills secondary market ended the week on a strong bullish note, largely supported by abundant system liquidity and the MPC's 50bps reduction in the MPR to 27.00% alongside the corridor adjustment to +250/-250. Early in the week, yield declines across the curve, while midweek saw some mixed sentiment as selective selling lifted the 03 Sept 2026 paper by 40bps.

However, strong buying interest resurfaced toward the close of the week, leading to notable repricing at the long end, where yields dropped sharply by up to 115bps. Similarly, the OMO segment mirrored this bullish tone, benefitting from sustained liquidity and the absence of new CBN issuance, with heavy demand seen on key maturities. As such, average benchmark NTB yield declined by 34bps w/w to settle at 16.54%.

Outlook: Next week, we expect the market sentiment to be in line with available system liquidity conditions.

BENCHMARK T-BILLS DISCOUNT RATES			
	26-Sep-25	19-Sep-25	Change in Rates
83 DAYS	16.68%	16.68%	↑ 0.00%
174 DAYS	16.25%	16.25%	→ 0.00%
356 DAYS	15.88%	16.05%	↓ -0.17%

Source: FMDQ DQL for 26-Sept-2025

FGN Bonds

The FGN bond market traded mixed during the week, with activity concentrated in the short- to mid-tenor segment while the long end was quiet. Early buying interest drove yield declines on key mid-dated papers, though sentiment softened midweek after the MPC's 50bps rate cut, leading to muted activity and a slight rise on the 2031s. Toward week's end, trading stayed calm, but caution set in after the DMO announced a ₦200bn bond offer for the upcoming auction. Mild demand persisted for the 2033s, as the overall average benchmark yield dipped 8bps w/w to 16.51%.

Outlook: Trading in the bonds market is likely to remain cautious as investors focus shift towards the September Bonds PMA of about ₦200bn worth of paper where AUG 2030 and JUN 2032 will be reopening.

BENCHMARK FGN BOND YIELDS			
	26-Sep-25	19-Sep-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	16.45%	16.66%	↓ -0.21%
10 YRS: 22.60% 29-JAN-2035	16.34%	16.68%	↓ -0.34%
13 YRS: 15.45% 21-JUN-2038	16.00%	16.00%	↑ 0.00%
28 YRS: 15.70% 21-JUN-2053	15.88%	15.94%	↓ -0.06%

Source: FMDQ DQL for 26-Sept-2025

Eurobonds

African Eurobonds delivered a mixed performance during the week but ultimately closed weaker, despite firmer oil prices. Early in the week, comments from Fed Chair Powell stressing a data-dependent stance supported selective interest in mid-to long-dated papers. However, sentiment deteriorated later, as stronger U.S. labor data triggered a risk-off tone, leading to broad selling, while new U.S. tariffs and steady Core PCE inflation (2.9% y/y) further weighed on markets. Eurobonds eventually consolidated, with Nigerian papers closing softer as the average mid-yield declined by 7bps w/w to 7.81%.

Outlook: Market expect cautious but steady demand in African Eurobonds next week, supported by stable oil prices and favorable risk sentiment, though refinancing pressures and global monetary policy uncertainty may temper gains.

BENCHMARK FGN EUROBOND YIELDS			
	26-Sep-25	19-Sep-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	7.14%	6.87%	↑ 0.27%
10 YRS: NGERIA 7.375% 09/29/33	8.20%	8.19%	↑ 0.01%
15 YRS: NGERIA 7.696% 23/02/38	8.66%	8.61%	↑ 0.05%
30 YRS: NGERIA 8.25% 09/29/51	9.30%	9.25%	↑ 0.05%
8.75% ETI 06/17/31*	6.54%	6.25%	↑ 0.29%

Source: FBN UK Runs for 26-Sept-2025

Nigerian Equities

The equities market extended its winning streak this week, supported by the CBN's 50bps MPR cut to 27.0%, its first since 2020, which spurred mild rotation into risk assets. Against this backdrop, the NGX-ASI gained 0.2% w/w to 142,133.02 points, lifting YTD return to 38.1% and market capitalization to ₦90.0tn. Market activity strengthened notably, with average volume and value traded surging 180.9% and 479.9% w/w to 518.7m units and ₦18.1bn, led by CONHALLPLC, ZENITH, and FIRSTHOLDCO by volume, while ZENITH, MTNN, and GTCO dominated by value.

Sectoral performance was mixed, with three indices closing higher and three lower. The Industrial Goods index advanced 1.3% w/w on renewed demand in DANGCEM (+1.7%) and WAPCO (+4.0%). Similarly, the Banking and Consumer Goods indices rose 1.2% apiece, supported by gains in ZENITH (+9.1%), STANBIC (+9.3%), INTBREW (+10.1%), and DANGSUGAR (+3.9%). On the flip side, the AFR-ICT index shed 1.8% w/w on sell pressure in MTNN (-3.4%) and CWG (-2.6%), while profit-taking in ARADEL (-4.8%), ETERNA (-10.0%), AIICO (-3.8%), and WAPIC (-4.1%) dragged the Oil & Gas and Insurance indices lower by 1.6% and 0.9%, respectively.

Outlook: We expect a mixed performance with a mild bullish tilt, supported by the CBN's rate cut. However, the upcoming FGN bond auction, offering attractive medium-term yields, may draw liquidity away from equities.

	D-o-D	W-o-W	MTD	YTD
NGXASI	↑ 0.69%	↑ 0.20%	↑ 1.31%	↑ 38.09%
NSE Banking Index	↑ 0.19%	↑ 1.19%	↓ -1.28%	↑ 39.14%
NSE Insurance Index	↑ 0.63%	↓ -0.91%	↓ -3.57%	↑ 72.39%
NSE Industrial Goods Index	↑ 1.69%	↑ 1.33%	↑ 0.40%	↑ 39.82%
NSE Consumer Goods Index	↑ 1.17%	↑ 1.15%	↑ 6.47%	↑ 96.16%
NSE Oil & Gas Index	→ 0.00%	↓ -1.62%	↑ 2.72%	↓ -9.80%

Source: NGX, AIICO Capital

Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
THOMASWY	3.30	0.61	↑ 22.68%
NSLTECH	0.91	0.16	↑ 21.33%
MECURE	26.10	4.50	↑ 20.83%
CHELLARAMS	16.25	1.65	↑ 11.30%
ROYALEX	2.25	0.21	↑ 10.29%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
WEMABANK	18.00	-2.55	↓ -12.41%
FIDELITYBK	18.45	-2.30	↓ -11.08%
ETERNA	27.90	-3.10	↓ -10.00%
IKEJAHOTEL	20.70	-2.25	↓ -9.80%
AFRIPRUD	14.50	-1.45	↓ -9.09%

Source: NGX, AIICO Capital

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Foreign Exchange

The naira strengthened over the week, supported by improved liquidity from local participants, oil inflows, and offshore portfolio investors. Early sessions opened actively, with bids largely matching available supply, anchoring trades around ₦1,492–₦1,495/\$. Midweek, tight demand–supply dynamics initially pressured the market, pushing the rate to ₦1,498.00/\$, before improved local dollar flows and modest CBN interventions (estimated at \$20m across sessions) restored calm. Toward week’s close, liquidity conditions remained favorable as FPI inflows sustained an offered market tone, driving the naira firmer into the ₦1,471–₦1,487/\$ range. Overall, the currency appreciated by c.49bps w/w to close at ₦1,480.66/\$ at the NAFEM. Meanwhile, foreign reserves rose \$192.95m w/w to \$42.23bn.

Outlook: We anticipate that the recent stability in the FX market will be sustained in the near term, as the CBN continues to fine-tune its policies alongside fiscal measures by the FGN aimed at supporting liquidity.

NFEM RATE (\$/₦)		Diff.
26-Sep-25	1,480.6570	
19-Sep-25	1,487.8962	↓ (7.2392)
Source: FMDQ		

Commodities

Oil prices rose on Friday as Ukraine's drone attacks on Russia's energy infrastructure cut the country's fuel exports. Brent rose 6.19% to \$70.13, WTI gained 5.32% to \$65.72. Gold advanced 2.04% to \$3,760.24, near record highs as U.S. inflation data came in line with expectations, reinforcing bets that the Federal Reserve may continue with interest rate cuts later this year.

Outlook: Oil prices are expected to trade sideways to slightly bullish, supported by OPEC+ supply shortfalls and geopolitical risks but capped by weak demand and potential inventory builds.

MACRO INDICATORS	
GDP (Q2 2025)	+4.23% (Q1: 2025 +3.13% y/y)
INFLATION (AUGUST 2025)	20.12% (Jul'25: 21.88%)
EXTERNAL RESERVE (US\$'BILLION)	42.23 (+3.30% YTD as of 25-Sept-25)
MONETARY POLICY RATE (MAY'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*70.13 (+4.09 w/w)
Source: NBS,CBN, AIICO Capital	

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