

WEEKLY FINANCIAL MARKETS.



Friday, 19 September 2025

MARKET COMMENTARY

System Liquidity

The interbank market sustained strong liquidity through the week, keeping funding conditions stable and rates anchored at 26.5%. The Overnight Policy Rate held steady at 26.50%, while the Overnight rate eased slightly by 1bp to close at 26.95% w/w. Liquidity was supported by inflows from ₦204.87 billion OMO maturities, ₦141.71 billion FGN bond coupons, and about ₦111 billion in CBN allocations to states. However, these were partly offset by significant outflows, including the ₦660 billion second tranche repayment of the Cross Currency Swap and a net NTB settlement of ₦267 billion. Despite a w/w decline in system liquidity to ₦1.67 trillion from ₦2.1 trillion, overall market conditions remained comfortable, allowing rates to trade firmly without any major funding pressures.

Outlook: Next week, rates are expected to hold near 26.5% as anticipated inflows from OMO maturities (₦254.90 billion) and FAAC disbursements support interbank liquidity. However, rates could rise if the CBN conducts aggressive liquidity absorption through an OMO auction.

SYS. LIQ. (₦'BN)	Diff.
19-Sep-25	1,666.60
12-Sep-25	2,085.15
	↓ (418.55)

Source: CBN

Treasury Bills

The Treasury bills market traded mixed through the week, starting quietly with modest interest in the 3-Sep bill around 17.30% and steady demand for Jan–Apr OMO papers. Midweek, activity turned cautious ahead of the NTB auction, with the 3-Sep bill settling near 16.90%.

The auction drew strong interest, with total subscriptions of ₦1.59 trillion against a ₦290 billion offer, though only ₦345.10 billion was allotted. Stop rates cleared lower at 15.00% for 91-day, 15.30% for 182-day, and 16.78% for 364-day maturities. Later in the week, buying momentum resurfaced, particularly for the 17-Sep bill quoted at 16.15/15.60%, while OMO interest stayed focused on the 7-Apr and 17-Feb papers. Overall, average NTB yields fell 52bps w/w to 16.71%.

Outlook: Trading in the Treasury Bills market is likely to remain cautious as investors await next week's MPC meeting and assess current liquidity conditions.

BENCHMARK T-BILLS DISCOUNT RATES

	19-Sep-25	12-Sep-25	Change in Rates
90 DAYS	16.68%	17.07%	↓ -0.39%
181 DAYS	16.25%	17.34%	↓ -1.09%
363 DAYS	16.05%	17.20%	↓ -1.15%

Source: FMDQ DQL for 19-Sep-2025

NTB AUCTION RESULT - 17 September 2025

AUCTION DATE	17-Sep-25		
SETTLEMENT DATE	18-Sep-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	18-Dec-25	19-Mar-26	17-Sep-26
OFFER AMOUNT (₦'BN)	30.0000	60.0000	200.0000
SUBSCRIPTION AMOUNT (₦'BN)	61.3523	50.0695	1,479.6349
ALLOTMENT AMOUNT (₦'BN)	30.3217	42.2766	272.4998
RANGE OF BIDS	14.500% - 17.500%	15.190% - 18.000%	15.989% - 20.030%
CURRENT STOP RATE: DISCOUNT (YIELD)	15.000% (15.583%)	15.300% (16.564%)	16.780% (20.152%)
LAST STOP RATE: DISCOUNT (YIELD)	15.320% (15.928%)	15.500% (16.798%)	17.690% (21.479%)
CHANGE: DISCOUNT (YIELD)	-0.320% (-0.346%)	-0.200% (-0.235%)	-0.910% (-1.327%)

FGN Bonds

The FGN bonds market traded quietly through the week, with a generally cautious tone. Early sessions saw mild demand in mid-dated papers such as the 2029s, 2031s, and 2033s, with a few trades on the 2031s around 16.80% and 2033s at 16.55%. Activity stayed moderate as wide bid-ask spreads limited execution, though the May 2033s were quoted as low as 16.20%. Midweek, sentiment turned slightly bearish, with offers on the 2029s, 2031s, and 2033s hovering near 16.30%, 16.25%, and 16.15% respectively. Towards the close, trading remained subdued, with selective interest in the 2032s and 2033s,. By week's end, average mid-yields dipped 22bps to 16.25%.

Outlook: Trading in the FGN bonds market is likely to remain cautious as investors await next week's MPC meeting and monitor prevailing liquidity conditions.

BENCHMARK FGN BOND YIELDS				
	19-Sep-25	12-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%	16.67%	↑	0.01%
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 19-Sep-2025

Eurobonds

African Eurobonds opened the week bullish as investors positioned ahead of the Federal Reserve meeting, with optimism strengthened by ongoing U.S.–China trade talks in Madrid. Sentiment held firm into midweek despite stronger U.S. data, as markets remained focused on the anticipated Fed cut. The Fed eventually delivered a 25-bps reduction, its first of 2025, citing labor market weakness and signaling two more cuts later in the year. However, Powell's cautious tone and concerns over Fed independence tempered enthusiasm, leading to mixed-to-bearish trading. Jobless claims offered little clarity, showing a slowdown in hiring even as new filings eased. By Friday, Eurobonds extended losses, though late dovish remarks from Fed officials helped limit declines. Nigerian Eurobond yields fell 4bps w/w to 7.80%.

Outlook: The market is likely to remain mixed in the near term, even as traders price in a 92% probability of a 25-bps rate cut at the upcoming FOMC meeting on October 28-29.

BENCHMARK FGN EUROBOND YIELDS			
	19-Sep-25	12-Sep-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.87%	6.99%	↓ -0.12%
10 YRS: NGERIA 7.375% 09/29/33	8.19%	8.04%	↑ 0.15%
15 YRS: NGERIA 7.696% 23/02/38	8.61%	8.59%	↑ 0.02%
30 YRS: NGERIA 8.25% 09/29/51	9.25%	9.26%	↓ -0.01%
8.75% ETI 06/17/31*	6.25%	5.63%	↑ 0.62%

Source: FBN UK Runs for 19-Sep-2025

Nigerian Equities

The Nigerian equities market extended its positive momentum this week, with the ASI rising by 92bps w/w to close at 141,845.35 points. Gains in BUAFOODS, ARADEL, GUINNESS, DANGCEM, and NB offset banking sector selloffs and mild profit-taking in WAPCO. On earnings, UBA posted a 6.1% y/y rise in H1 PAT to ₦335.5bn, declaring an interim dividend of ₦0.25/share, while ZenithBank reported a 7.9% y/y decline in PAT to ₦532.2bn but raised its interim dividend to ₦1.25/share. Key market highlights included Seplat Energy's pledge to return \$1bn in dividends by 2030, MTN Nigeria's NCC approval to lease spectrum from T2 Mobile, and BUAFOODS hitting a 52-week high of ₦629.7. Overall, investor sentiment remained strong despite sectoral divergences.

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	↓ -0.29%	↑ 0.92%	↑ 1.10%	↑ 37.81%
NSE Banking Index	↓ -1.93%	↓ -2.57%	↓ -2.44%	↑ 37.51%
NSE Insurance Index	↓ -1.27%	↓ -4.67%	↓ -2.69%	↑ 73.97%
NSE Industrial Goods Index	↓ -0.01%	↑ 0.05%	↓ -0.92%	↑ 37.98%
NSE Consumer Goods Index	↑ 0.61%	↑ 5.48%	↑ 5.25%	↑ 93.93%
NSE Oil & Gas Index	↓ -0.13%	↑ 2.79%	↑ 4.42%	↓ -8.31%

Source:NGX, AIICO Capital

Top 5 Equity Advancers W-o-W				
Ticker	Px	% Change	Points	% Mov
BUAFOODS	629.70	↑ 6.73%	↑ 1,312.38	↑ 100.98%
GUINNESS	183.90	↑ 28.60%	↑ 164.53	↑ 12.66%
DANGCEM	516.20	↑ 0.98%	↑ 156.48	↑ 12.04%
NB	75.95	↑ 8.11%	↑ 107.57	↑ 8.28%
UNILEVER	73.00	↑ 8.71%	↑ 61.72	↑ 4.75%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W				
Ticker	Px	% Change	Points	% Mov
UBA	44.20	↓ -9.24%	↓ 282.64	↓ -21.75%
ZENITHBANK	64.00	↓ -5.88%	↓ 230.64	↓ -17.75%
WAPCO	125.00	↓ -2.34%	↓ 88.75	↓ -6.83%
ACCESSCORP	25.90	↓ -3.36%	↓ 58.75	↓ -4.52%
CORNERST	6.20	↓ -15.42%	↓ 37.70	↓ -2.90%

Source: NGX, AIICO Capital

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Foreign Exchange

The FX market opened the week with persistent selling pressure as offers outweighed demand, driving the pair below the ₦1500/\$ level. Weak bids and strong supply from offshore players and exporters reinforced the bearish tone, with NAFEX fixing dropping to ₦1502.56/\$. Midweek, liquidity eased as supply slowed and offers thinned, while the CBN stayed on the sidelines. However, demand returned strongly later in the week, led by portfolio investors and corporates, with the CBN intervening by selling about \$150m within the ₦1491.50–₦1509.00 range. By week’s end, improved dollar supply and CBN participation supported the Naira, which strengthened to close at ₦1487.8962/\$, appreciating 90bps w/w. Foreign reserves also climbed by about \$299.7m to \$41.99bn.

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

NFEM RATE (\$/₦)		Diff.
19-Sep-25	1,487.8962	
12-Sep-25	1,501.4991	↓ (13.6029)
Source: FMDQ		

Commodities

Oil prices slipped on Friday as concerns over abundant supply and weakening demand overshadowed optimism that the Fed’s first rate cut of the year might boost consumption. Brent crude fell 76 cents, or 1.1%, to \$66.68 a barrel, while U.S. WTI lost 89 cents, or 1.4%, to close at \$62.68. Gold, meanwhile, extended its rally, heading for a fifth consecutive weekly advance. Spot gold rose 0.8% to \$3,672.08 per ounce, while U.S. gold futures gained 0.7% to \$3,705.80, as investors awaited further signals from the Fed.

Outlook: While lower borrowing costs typically stimulate oil demand and support prices, the recent 25bps Fed rate cut may have limited impact on oil markets, potentially weakening the U.S. dollar further and offsetting any demand boost. For a meaningful uplift in oil demand, more aggressive easing, such as a 50bps cut, may be necessary.

MACRO INDICATORS	
GDP (Q1 2025)	+3.13% (Q4: 2024 +3.84% y/y)
INFLATION (AUGUST 2025)	20.12% (Jul'25: 21.88%)
EXTERNAL RESERVE (US\$BILLION)	42.00 (+2.74% YTD as of 18-Sep-25)
MONETARY POLICY RATE (MAY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*66.68 (-0.31 w/w)
Source: NBS,CBN, AIICO Capital	

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