

DATE: Tuesday, 04 March 2025

MARKET COMMENTARY

System Liquidity

Interbank liquidity stayed positive and stable, keeping interbank rates unchanged. The Overnight Policy Rate (OPR) and the Overnight Rate (O/N) held steady at 26.42% and 26.83%, respectively.

Outlook: We anticipate interbank rates will hold steady unless significant outflows occur.

Treasury Bills

The Treasury Bills market saw another relatively quiet session as investors focused on short-end maturities, though offers remained limited. Some activity was also noted on the longer end, particularly the 05 and 19 February 2026 maturities, with trades executed around 17.70%. Overall, the average mid-rate for benchmark NTB papers ended at 17.70%.

Outlook: We anticipate cautious trading tomorrow as investors turn their focus to the NTB auction, where the DMO plans to offer ₦650 billion across 91-day, 182-day, and 364-day papers.

FGN Bonds

The local bonds market experienced limited activity during today's session. Demand was noted around the mid-tenors, but offers were scarce due to widened spreads. The April 2029s, February 2031s, May 2033s, and February 2034s papers saw the most trading, though yields remained stable overall. The average mid-yield closed at 18.02%.

Outlook: We expect a quiet theme in the market amid tomorrow's NTB auction.

Eurobonds

The Eurobond market faced strong bearish pressure, erasing recent gains as President Donald Trump's tariffs on major trade partners sparked retaliatory measures, fueling fears of a global trade war and economic instability. The downturn followed the U.S. imposing 25% tariffs on Canada and Mexico, effective at midnight, and an additional 10% levy on Chinese goods. China responded with tariffs of up to 15% on U.S. products, while Canada announced a 25% duty on U.S. goods. Overall, the average mid-yield for Nigerian Eurobonds rose by 8 basis points to 8.97%.

Outlook: We expect the prevailing sentiment to carry over into tomorrow's session.

BENCHMARK T-BILLS DISCOUNT RATES				
	04-Mar-25	03-Mar-25	Change in Rates	
93 DAYS	18.44%	18.44%	→	0.00%
184 DAYS	17.99%	17.99%	→	0.00%
324 DAYS	17.90%	17.90%	→	0.00%

Source: FMDQ DQL for 04-Mar-2025

BENCHMARK FGN BOND YIELDS				
	04-Mar-25	03-Mar-25	Change in Yield	
5 YRS: 19.30% 17-APR-2029	18.65%	18.65%	→	0.00%
10 YRS: 22.60% 29-JAN-2035	18.47%	18.47%	→	0.00%
13 YRS: 15.45% 21-JUN-2038	18.12%	18.12%	→	0.00%
28 YRS: 15.70% 21-JUN-2053	16.74%	16.74%	→	0.00%

Source: FMDQ DQL for 04-Mar-2025

BENCHMARK FGN EUROBOND YIELDS				
	04-Mar-25	03-Mar-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	8.37%	8.35%	↑	0.02%
10 YRS: NGERIA 7.375% 09/29/31	9.40%	9.26%	↑	0.14%
15 YRS: NGERIA 7.696% 23/02/31	9.74%	9.70%	↑	0.04%
30 YRS: NGERIA 8.25% 09/29/51	9.97%	9.90%	↑	0.07%
8.75% ETI 06/17/31*	8.00%	8.00%	→	0.00%

Source: FBN UK Runs for 04-Mar-2025

NFEM (\$/₦)			Diff.
4-Mar-25	1,491.6700		
3-Mar-25	1,498.9800	↓	(7.3100)

Source: FMDQ

SYS. LIQ. (₦'BN)			Diff.
4-Mar-25	519.11		
3-Mar-25	582.95	↓	(63.83)

Source: CBN

NAME OF FUND	EFFECTIVE YIELD (%)
AIICO MONEY MARKET FUND	23.37
AIICO BALANCED FUND	7.21
AIICO EUROBOND FUND	7.02

As of February 26, 2025

MACRO INDICATORS	
GDP (Q4 2024)	+3.84% (Q3: 2024 +3.46% y/y)
INFLATION (JANUARY 2025)	24.48% (Dec'24: 34.80%)
EXTERNAL RESERVE (US\$'BILLION)	38.36 (+16.56% YTD as of 03-Mar-25)
MONETARY POLICY RATE (FEB'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US\$/BBL	*70.58 (-2.13 d/d)

Source: NBS,CBN, AIICO Capital

Nigerian Equities

The Nigerian equities market continued its downward trend as the All-Share Index (ASI) declined by 51bps, bringing the YTD return to 3.86%. Market breadth remained negative, with 17 gainers against 44 losers. UHOMREIT (+9.94%) led the gainers, while ETERNA, DANGSUGAR, TRANSCORP, GUINEAINS, and DEAPCAP (-10%) topped the losers. UCAP led the volume chart with 40.53m units traded, while ZENITHBANK dominated the value chart at N1.23b. Sectoral performance was broadly weak. The NGX Banking Index dropped 180bps as ETI (-9.79%), FCMB (-5.66%), and ACCESSCORP (-3.41%) saw declines. The Consumer Index fell 37bps, dragged by DANGSUGAR (-10%) and CHAMPION (-9.93%). The Oil & Gas Index lost 36bps on ETERNA (-10%) and OANDO (-4.94%), while the Industrial Index edged up 1bp on CUTIX (+3.93%). Value traded increased 21.18% to \$5.85m, with significant activity in financial stocks. Crosses included 11.6m GTCO at ₦59.00 and 10m UCAP at ₦18.00.

Outlook: We expect the bearish sentiment to persist tomorrow.

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) maintained stability, with exchange rates trading between \$/₦1,490.00 and \$/₦1,503.00. Thus, the Naira strengthened by 49 bps, ending at \$/₦1,491.67.

Outlook: We anticipate the Naira will remain stable within its existing trading band.

Commodities

Oil prices continued to decline after reports that OPEC+ plans to move forward with an output increase in April, while additional pressure came from U.S. tariffs on Canada, Mexico, and China, along with Beijing's retaliatory measures. By 1417 GMT, Brent crude fell \$1.04 (1.45%) to \$70.58 per barrel, while WTI dropped 73 cents (1.07%) to \$67.64. Meanwhile, gold prices climbed as a weaker dollar and escalating trade tensions fueled safe-haven demand. Spot gold rose 0.9% to \$2,918.90 an ounce as of 09:12 a.m. ET (1154 GMT), with bullion up over 11% this year after hitting a record \$2,956.15 on February 24.

Outlook: We anticipate the ongoing decline in oil prices will persist, largely due to OPEC+'s move to raise production and the implementation of U.S. tariffs.

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
NEM	14.25	1.15	↑ 8.78%
IKEJAHOTEL	11.85	0.95	↑ 8.72%
CONHALLPLC	3.95	0.25	↑ 6.76%
LIVESTOCK	7.85	0.34	↑ 4.53%
INTBREW	5.20	0.20	↑ 4.00%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
DEAPCAP	0.90	-0.10	↓ -10.00%
DANGSUGAR	36.00	-4.00	↓ -10.00%
ETERNA	37.80	-4.20	↓ -10.00%
TRANSCORP	51.30	-5.70	↓ -10.00%
GUINEAINS	0.63	-0.07	↓ -10.00%

Source: NGX, AIICO Capital

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.51%	↓ -0.81%	↓ -0.85%	↑ 3.86%
NSE BANKING INDEX	↓ -1.80%	↓ -4.06%	↓ -2.98%	↑ 4.28%
NSE INSURANCE INDEX	↑ 0.73%	↓ -0.07%	↑ 0.16%	↓ -0.08%
NSE INDUSTRIAL GOODS INDEX	↑ 0.01%	↓ -0.44%	↓ -0.01%	↑ 1.33%
NSE CONSUMER GOODS INDEX	↓ -0.37%	↓ -1.39%	↓ -1.40%	↑ 4.77%
NSE OIL & GAS INDEX	↓ -0.36%	↑ 2.00%	↑ 0.06%	↓ -5.49%

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