AIICO CAPITAL

DAILY MARKET INSIGHTS.

Thursday, 14 August 2025

MARKET COMMENTARY

System Liquidity

System liquidity remained in deficit at c.₦35.30 billion, as heavy reliance of DMBs on the CBN's Standing Lending Facility (SLF), increased to ₦311.53 billion. Consequently, funding costs inched higher, with the Overnight Policy Rate (OPR) rising by 20bps to 32.30%, while the Overnight (O/N) rate up10bps to 32.60%.

Outlook: *Rates are expected remain at similar level, except for any significant inflows*

SYS. LIQ. (₦'BN)		Diff.
14-Aug-25	-35.30	
13-Aug-25	-32.23	(3.06)
Source: CBN		

Treasury Bills

Amid negative system liquidity, cautious trading persisted in the NTB secondary market, with most maturities recording marginal gains or losses. The 5 Feb 2026 bill declined by 18bps to 18.39%, while the 5 Mar 2026 rose by 4bps to 19.00%. As a result, the average benchmark yield edged lower by 1bp to 17.93%.

Outlook: *Trading activity to align with the available liquidity.*

BENCHMARK T-BILLS DISCOUNT RATES			
	14-Aug-25	13-Aug-25	Change in Rates
84 DAYS	16.71%	16.72%	-0.01%
175 DAYS	18.39%	18.57%	-0.18%
357 DAYS	19.46%	19.47%	-0.01%
Source: FMDQ DQL for 14-Aug-2025			

FGN Bonds

The FGN bond market traded quietly, with sentiment tilting toward the sell side, particularly in the mid-tenor segment. At the short end, the FGN 2029 yield rose 13bps to 16.99%, while mid-tenor yields on the FGN 2031 and FGN 2033 increased by 5bps and 21bps to 17.25% and 17.11%, respectively, while the long end, the FGN 2053 advanced 7bps to 16.07%. Overall, the average benchmark yield climbed 4bps to 16.55%

Outlook: *We expect sustained sentiment from investors.*

BENCHMARK FGN BOND YIELDS			
	14-Aug-25	13-Aug-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	16.99%	16.86%	0.13%
10 YRS: 22.60% 29-JAN-2035	15.66%	15.66%	0.00%
13 YRS: 15.45% 21-JUN-2038	15.87%	15.87%	0.00%
28 YRS: 15.70% 21-JUN-2053	16.07%	16.00%	0.07%
Source: FMDQ DQL for 14-Aug-2025			

Eurobonds

Profit-taking dominated the African Eurobond market after unexpectedly hot U.S. Producers' Price Index (PPI) data put heavy pressure on U.S. Treasuries, triggering broad selling in government bonds. Average yields on Nigerian Eurobonds climbed 5bps to 7.80%.

Outlook*: Yields are likely to stay elevated as hotter-than-expected U.S. inflation data dampens hopes for aggressive Fed rate cuts.*

BENCHMARK FGN EUROBOND YIELDS			
	14-Aug-25	13-Aug-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.98%	6.90%	0.08%
10 YRS: NGERIA 7.375% 09/29/33	8.32%	8.27%	0.05%
15 YRS: NGERIA 7.696% 23/02/38	8.80%	8.80%	0.00%
30 YRS: NGERIA 8.25% 09/29/51	9.41%	9.38%	0.03%
8.75% ETI 06/17/31*	7.15%	7.01%	0.14%
Source: FBN UK Runs for 14-Aug-2025			

	D-o-D	W-o-W	MTD	YTD
NGX ASI	-0.39%	-0.87%	3.89%	41.17%
NSE BANKING INDEX	-0.48%	-0.60%	-1.02%	46.99%
NSE INSURANCE INDEX	-8.28%	25.80%	66.68%	106.51%
NSE INDUSTRIAL GOODS INDEX	0.11%	-2.36%	11.59%	52.61%
NSE CONSUMER GOODS INDEX	-0.20%	-0.64%	9.34%	84.96%
NSE OIL & GAS INDEX	-0.75%	-1.01%	-2.91%	-11.24%

Nigerian Equities

Bearish sentiment dominated the Nigerian equities market, as the NGX All-Share Index (NGX-ASI) fell by 39bps to close at 145,300.01 points. The decline was driven by losses across four major sectors, with the Industrial Goods sector the sole gainer, posting a marginal +0.11% uptick. Notably, the Insurance sector shed -8.28% amid profit-taking after a 50% rally in the past week. The Oil & Gas index fell -0.75%, pressured by losses in OANDO (-1.13%) and JAPAULGOLD (-0.33%), while sharp declines in WEMABANK (-10.00%) and ELLAHLAKES (-9.97%) contributed to drops of -0.48% and -0.20% in the Banking and Consumer Goods indexes, respectively. Market breadth closed negative, with 22 gainers against 50 losers. Major trades included 24.9m units of NB at ₦71.50, 30m units of STERLINGNG at ₦7.90, 12.5m units of ACCESSCORP at ₦27.65, and 17.1m units of ELLAHLAKES at ₦19.42.

Outlook: *Cautious trading to prevail, though a renewed positive sentiment is anticipated as bargain-hunting opportunities emerge.*

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
JULI	9.90	0.90	10.00%
AUSTINLAZ	2.33	0.21	9.91%
NCR	8.70	0.75	9.43%
THOMASWY	3.70	0.28	8.19%
CHAMS	2.95	0.22	8.06%
Source: NGX, AIICO Capital			

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CILEASING	7.20	-0.80	-10.00%
LASACO	4.50	-0.50	-10.00%
SOVRENINS	3.24	-0.36	-10.00%
UPDC	7.20	-0.80	-10.00%
WEMABANK	20.70	-2.30	-10.00%
Source: NGX, AIICO Capital			

Foreign Exchange

The Naira traded positively at the Nigerian interbank NFEM, with the USD/NGN rate ranging between ₦1,533.50 and ₦1,535.50. It appreciated by 10bps to close at ₦1,534.00 per dollar. As of August 12, 2025, Nigeria's gross foreign reserves stood at about $40.65 billion, up by approximately $69.40 million from the previous session.

Outlook: *We anticipate rate moderation around similar level amidst growing external reserve..*

NFEM RATE ($/₦)		Diff.
14-Aug-25	1,534.0000	
13-Aug-25	1,535.4900	(1.4900)
Source: CBN		

Commodities

Global oil prices rose, after President Trump warned of "severe consequences" if his talks with Russian President Putin on Ukraine fail and on expectations that a U.S. interest rate cut next month could spur oil demand. Brent crude spiked 131cents to $66.94 per barrel, while U.S. West Texas Intermediate appreciates by 134cents to $63.99. However, gold fell as hotter-than-expected U.S. inflation data and a drop in jobless claims lifted the dollar and Treasury yields, trimming the odds of a supersized September rate cut. Spot gold dipped by 0.53% to $3,338.62 per ounce, while U.S. gold futures closed $26.82 lower at $3,385.10.

Outlook: *Commodities prices may trade mixed tomorrow, with oil supported by geopolitical risks and Fed rate-cut expectations, while gold remains pressured by strong U.S. inflation and a firmer dollar unless softer CPI data prompts a rebound.*

MACRO INDICATORS	
GDP (Q1 2025)	+3.13% (Q4: 2024 +3.76% y/y)
INFLATION (JUNE 2025)	22.22% (May'25: 22.97%)
EXTERNAL RESERVE (US$'BILLION)	40.65 (-0.55% YTD as of 12-Aug-25)
MONETARY POLICY RATE (JULY'2025)	27.50%
CASH RESERVE REQUIREMENT (CRR)	50.00%
BRENT CRUDE PRICE US$/BBL	*66.94 (+1.31 d/d)
Source: NBS,CBN, AIICO Capital	