AIICO CAPITAL

DAILY MARKET INSIGHTS.

Tuesday, 16 December 2025

MARKET COMMENTARY

System Liquidity

Market liquidity opened the day with a surplus balance of ₦3.06 trillion, up from ₦2.58 trillion the previous day. This increase was driven by ₦546.85 billion inflow from 16-Dec-2025 OMO maturity, ₦9.10 billion bond coupon inflow and sustained placements from Deposit Money Banks (DMBs) at CBN's SDF window (₦2.45 trillion), despite an ₦8.5 billion borrowing through the Standing Lending Facility (SLF) window.

Consequently, average funding cost eased slightly by 2bps. The Open Repo Rate (OPR) held at 22.50%, while Overnight rate (O/N) eased by 4bps to 22.70%.

Outlook: *Amidst an expected inflow of ₦70.86 billion NTB maturity and outflow of ₦596.47 billion from Bond auction, we expect market liquidity to moderate and funding rates to rise slightly.*

SYS. LIQ. (₦'BN)		Diff.
16-Dec-25	3,064.27	477.43
15-Dec-25	2,586.84	

Source: CBN, AIICO Capital

Eurobonds

The African Eurobond market traded on a mixed note, reflecting mixed U.S. job data. The job data showed a loss of 150,000 jobs in October but improved with a gain of 64,000 jobs in November, triggering a sell pressure in across most Africa market.

The sell-off was observed withing the mid-long end of the curve, while the short end traded mixed. Notably, the NOV-2027 bond bucked the broader trend with yields compressing by 3bps, while the longer-dated bonds, including the JAN-2049 and SEP_2051, saw yields rise by 3bps, reflecting sustained pressure on duration. As such, benchmark average yields rose by 2bps to 7.18%.

Outlook*: The market is expected to rebound tomorrow as participants digest the mixed job data and possible rate cut in Jan.*

BENCHMARK FGN EUROBOND YIELDS			
	16-Dec-25	15-Dec-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.18%	6.16%	0.02%
10 YRS: NGERIA 7.375% 09/29/33	7.20%	7.17%	0.03%
15 YRS: NGERIA 7.696% 23/02/38	7.65%	7.62%	0.03%
30 YRS: NGERIA 8.25% 09/29/51	8.42%	8.39%	0.03%
8.75% ETI 06/17/31*	6.67%	7.20%	-0.53%

Source: FirstBank UK, AIICO Capital

Treasury Bills

The NTB secondary market traded calmly, as market participants digest the Dec bond auction result in preparation to the next day's NTB auction.

Notably, no material repricing was observed across the curve, with key papers such as the 19-Mar-26 and 05-Feb-26 bills closing unchanged at 15.24% and 15.15%, respectively. Similarly, longer-dated bills including 17-Sep-26 and 08-Oct-26 settled flat at 16.33% and 16.45%, respectively.

Consequently, the average discount rate closed unchanged at 15.98%.

***Outlook**: Secondary market to trade calmly as market participants shift focus to the NTB auction of ₦700 billion worth of bills across 91-, 182- and 364-day tenors.*

BENCHMARK T-BILLS DISCOUNT RATES			
	16-Dec-25	15-Dec-25	Change in Rates
86 DAYS	15.20%	15.20%	0.00%
177 DAYS	15.50%	15.50%	0.00%
359 DAYS	16.83%	16.83%	0.00%

Source: FMDQ, AIICO Capital

FGN Bonds

The FGN bond market trade cautiously as investors react to the outcome of the December bond action which was a significant increase of 130bps in stop-rate for the 27-Aug-2030 and 25-Jun-3032.

Notably, the short to mid-tenor papers saw most activities, while the long end of the curve traded flat. Specifically, the 22-JAN-26 say the most significant yield uptick, with 234bps high to 18.62%, while yield on the 20-Mar-26 rose by 16bps to 16.32%. Although, yield dropped on 20-Mar-27 and 21-Feb-31by 1bp each to 16.98% and 17.32% but was unable to offset the loss from the 2026s papers. As such, average yield rose by 8bps to16.71%.

***Outlook:** We expect market to maintain similar sentiment as market participant continue to react to the bond auction result which closed at higher stop rates. However, demand are anticipated to steer the market's short-term course.*

BENCHMARK FGN BOND YIELDS			
	16-Dec-25	15-Dec-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	17.00%	17.00%	0.00%
10 YRS: 22.60% 29-JAN-2035	16.79%	16.79%	0.00%
13 YRS: 15.45% 21-JUN-2038	16.27%	16.27%	0.00%
28 YRS: 15.70% 21-JUN-2053	15.08%	15.08%	0.00%

Source: FMDQ, AIICO Capital

Nigerian Equities

On Tuesday, December 16, 2025, the Nigerian stock market continued to be somewhat optimistic, building on the little gains from the previous session. The All-Share Index (ASI) closing at 149,459.11 points, 0.01% higher than the previous session. The was buoyed, among other things, by increases in small to mid-cap stocks including GUINNESS (+9.98%), CUSTODIAN (+7.84%), FIRSTHOLDCO (+4.20%), FIDELITYBK (+1.06%), and STERLINGNG (+0.71%), which countered losses in CHAMPION (-5.63%), GTCO (-2.11%), FCMB (-1.85%), ZENITHBANK (-0.86%), and UBA (-0.75%). ACCESSCORP emerged as the most actively traded stock by both volume with 385.83 million shares, and by value with trades worth ₦7.72 billion. Market breadth was positive, as 31 stocks recording gains while 26 stocks that closed lower.

In comparison to previous session, trading activity decreased. Approximately 553 million shares, worth ₦13.27 billion, were exchanged in more than 28,800 transactions. This showed a decrease in turnover (-54%) and volume (-3%) from the previous day, indicating a rise in trades but a decrease in institutional participation.

***Outlook:** We expect market to sustain cautious sentiment in the near term, while block trade continue to dominate market performance.*

	D-o-D	W-o-W	MTD	YTD
NGX ASI	0.01%	1.71%	4.14%	45.21%
NSE BANKING INDEX	-0.28%	-0.40%	3.70%	32.12%
NSE INSURANCE INDEX	0.36%	4.38%	6.22%	60.17%
NSE INDUSTRIAL GOODS INDEX	-0.10%	-0.08%	7.52%	54.53%
NSE CONSUMER GOODS INDEX	0.21%	1.96%	3.63%	104.74%
NSE OIL & GAS INDEX	-0.09%	-0.35%	-0.83%	-1.30%

Source: NGX, AIICO Capital

TOP 5 EQUITY ADVANCERS

NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
ALEX	9.35	0.85	10.00%
GUINNESS	263.40	23.90	9.98%
MULTIVERSE	12.15	1.10	9.95%
MECURE	45.85	4.15	9.95%
SOVRENINS	4.11	0.37	9.89%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS

NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
HMCALL	3.72	-0.41	-9.93%
VERITASKAP	1.60	-0.16	-9.09%
LIVINGTRUST	3.50	-0.35	-9.09%
LINKASSURE	1.65	-0.10	-5.71%
CHAMPION	13.40	-0.80	-5.63%

Source: NGX, AIICO Capital

Foreign Exchange

In the Nigerian Foreign Exchange Market (NFEM), the Nigeria Naira depreciated against the dollar amidst limited supply outweighed by demand pressure. The NFEM rate weakened by ₦4.38 per USD to close at ₦1,456.20/$, representing a range of ₦1,457.00 and ₦1,454.00 per USD during the previous session.

Meanwhile, the External Reserve position was noted at $45.47 billion (as of 12-Dec-25), reflecting a +11.24% Year-to-Date (YTD) gain and d/d gain of ₦32.42 million.

Outlook: *We expect the market to hold near its current levels in the near term.*

NFEM RATE ($/₦)		Diff.
16-Dec-25	1,456.2000	4.3831
15-Dec-25	1,451.8169	

Source: CBN, AIICO Capital

Commodities

Global oil prices fell below $60 a barrel on Tuesday, the lowest since May, as prospects for a Russia-Ukraine peace deal appeared to strengthen, raising expectations sanctions could be eased. Brent crude dipped 151 cents, or 2.49%, to $59.05 per barrel, while U.S. West Texas Intermediate (WTI) receded by 128cents, or 2.26%, to $55.39.

In contrast, Gold rose on Tuesday after a U.S. jobs report showed the unemployment rate rose last month from September, reinforcing bets of rate cuts by the U.S. Federal Reserve and sending the dollar index lower. Spot gold rose marginally by 0.08% to $4,306.22/oz, while U.S. gold futures inched up by 0.01% to $4,335.45/oz.

Outlook: *We expect markets to remain cautious to bearish, with oil prices supported by continued geopolitical concerns. Gold to continue positive sentiment.*

MACRO INDICATORS	
GDP (Q3 2025)	+3.98% (Q2: 2025 +4.23% y/y)
INFLATION (NOVEMBER 2025)	14.45% (Oct'25: 16.05%)
EXTERNAL RESERVE (US$'BILLION)	45.47 (+11.24% YTD as of 12-Dec-25)
MONETARY POLICY RATE (NOV'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US$/BBL	*59.05 (-1.51 d/d)

Source: NBS,CBN, Bloomberg, AIICO Capital