

DAILY MARKET INSIGHTS.



Thursday, 18 December 2025

MARKET COMMENTARY

System Liquidity

Market liquidity opened the day with a surplus balance of ₦3.06 trillion, up 18.61% from previous opening. This increase was driven by continued improvement in Deposit Money Banks (DMBs) placement at CBN's SDF window (₦3.06 trillion) and net inflow of ₦109.42 billion from primary market activities, bringing the net change to ₦480.52 billion.

However, average funding cost closed flat at 22.63%. The Open Repo Rate (OPR) and Overnight rate (O/N) held steady at 22.50% and 22.75%, respectively.

Outlook: Barring any significant liquidity shocks, we expect funding rates to remain moderated in the next session.

SYS. LIQ. (₦BN)		Diff.
18-Dec-25	3,062.11	↑ 480.52
17-Dec-25	2,581.60	

Source: CBN, AIICO Capital

Eurobonds

African Eurobonds market traded positively as investors react to the US November CPI data of 2.7%, which came lower than market

expectation of 3.1% and September data of 3.0%. In addition, the U.S. unemployment claims of 224k, as predicted by the market, added to the sustained investors sentiment.

Notably, Africa sovereign issuance – Nigeria, Angola and Egypt – traded positively. For the Nigeria papers, yield declined across most maturities, except for Jun-2031 and Jan-2036 whose yields rose slightly to 6.66% (+3bps) and 7.59% (+2bps), respectively.

Consequently, Nigeria average benchmark eased by 2bps to close at 7.22%.

Outlook: Market to sustain positive sentiment in further reaction to the lower CPI data and expectation Feb rate cut in January 2026.

BENCHMARK FGN EUROBOND YIELDS				
	18-Dec-25	17-Dec-25	Change in Yield	
5 YRS: NGERIA 8.375% 03/24/29	6.18%	6.23%	↓	-0.05%
10 YRS: NGERIA 7.375% 09/29/33	7.17%	7.25%	↓	-0.08%
15 YRS: NGERIA 7.696% 23/02/38	7.72%	7.74%	↓	-0.02%
30 YRS: NGERIA 8.25% 09/29/51	8.46%	8.48%	↓	-0.02%
8.75% ETI 06/17/31*	6.62%	6.66%	↓	-0.04%

Source: FirstBank UK, AIICO Capital

Treasury Bills

Following the results of the NTB PMA, where the DMO allocated about ₦704.07 billion across the 91-, 182-, and 364-day tenors, with the 1-year paper clearing at a stop rate of 17.51%, the NTB market began on a mixed note. Due to strong interest in the new 1-year (17-Dec-26) bill, which traded as low as 16.90% (61bps below the stop rate) during the day before ending at 16.95/16.80, bullish momentum began early in the session.

All maturities witnessed calm activities, except for the 19-feb-26 bill, which saw some sell-offs and an 18bps increase in yield to 17.49% (16.98% discount). Consequently, average benchmark rate closed flat at 16.04%.

Outlook: We expect investor activity to be consistent with current liquidity conditions.

BENCHMARK T-BILLS DISCOUNT RATES			
	18-Dec-25	17-Dec-25	Change in Rates
84 DAYS	15.20%	15.20%	→ 0.00%
175 DAYS	15.50%	15.50%	→ 0.00%
357 DAYS	16.83%	16.83%	→ 0.00%

Source: FMDQ, AIICO Capital

FGN Bonds

The FGN Bonds market saw mixed to buy-side sentiment. The 20-Mar-27 paper repriced higher by 6bps to 16.87% at the short end of the curve. Gains on the 2028s and 2029s papers, however, countered this, with the 2029s paper showing the biggest yield reduction of 15bps to 17.00%.

At the mid end of the curve, the 21-Feb-31 and 25-Jun-32 papers saw slight sell-offs, raising yields by 1bp each to 17.20% and 17.13%, respectively, while the FGN 2033 saw a 1bp decrease to 17.04%.

On the long end, 18-Mar-36 and 21-Jun-53 saw yield increase of 1bps to 16.62% and 15.09%, respectively.

As a result, the average benchmark yield fell by 1bp to 16.70%.

Outlook: In the near future, we expect continued investor interest in the local bond market.

BENCHMARK FGN BOND YIELDS			
	18-Dec-25	17-Dec-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	17.00%	17.15%	↓ -0.15%
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	15.09%	15.08%	↑ 0.01%

Source: FMDQ, AIICO Capital

Nigerian Equities

The Nigerian stock market closed the day on a positive note as the All-Share Index rose by 35bps, pushing the year-to-date return to +46.09% amid gains in NESTLE, GUINNESS and 32 others. Market sentiment remained mixed as NESTLE topped the gainers' chart with a 10% gain, while STANBIC led the losers after shedding 9.33%. Trading activity was dominated by FIRSTHOLDCO, which emerged as the most active stock by both volume and value, with 385.62 million shares exchanged worth N15.54 billion. Market breadth closed positive, as 34 stocks advanced against 26 decliners.

Sectoral performance was largely upbeat, with the Banking Index gaining 56bps on the back of price appreciation in UBA, ETI, WEMABANK, ACCESSCORP, and FCMB, although losses in GTCO and STANBIC capped gains. The Consumer Index advanced by 123bps, driven by strong rallies in NESTLE, GUINNESS, CHAMPION, VITAFOAM, INTBREW, and MCNICHOLS, despite pullbacks in PZ and HONYFLOUR. The Oil and Gas Index edged up by 5bps following gains in OANDO, while the Industrial Index closed flat amid losses in AUSTINLAZ.

Value traded declined sharply by 84.85% to \$22.42 million, with activity largely driven by cross deals, particularly in FIRSTHOLDCO and GEREGU, which together accounted for nearly 80% of total traded value.

Outlook: Amid an improved market breadth of +0.59x, we expect positive sentiment to persist, while block trade continue to dominate activities.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.35%	↑ 1.63%	↑ 4.77%	↑ 46.09%
NSE BANKING INDEX	↑ 0.56%	↑ 2.11%	↑ 5.83%	↑ 34.84%
NSE INSURANCE INDEX	↓ -0.23%	↑ 3.56%	↑ 8.12%	↑ 63.03%
NSE INDUSTRIAL GOODS INDEX	↓ 0.00%	↓ -0.72%	↑ 6.85%	↑ 53.55%
NSE CONSUMER GOODS INDEX	↑ 1.23%	↑ 2.21%	↑ 4.93%	↑ 107.31%
NSE OIL & GAS INDEX	↑ 0.05%	↓ -0.24%	↓ -0.83%	↓ -1.30%

Source: NGX, AIICO Capital

TOP 5 EQUITY ADVANCERS CLOSING			
NAME (SYMBOL)	PRICE	GAIN(N)	% CHANGE
NESTLE	1958.00	178.00	↑ 10.00%
GUINNESS	289.70	26.30	↑ 9.98%
ALEX	11.25	1.00	↑ 9.76%
DAARCOMM	0.95	0.08	↑ 9.20%
MECURE	55.00	4.60	↑ 9.13%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS CLOSING			
NAME (SYMBOL)	PRICE	LOSS(N)	% CHANGE
STANBIC	95.20	-9.80	↓ -9.33%
LASACO	2.50	-0.25	↓ -9.09%
AFRIPRUD	12.40	-1.20	↓ -8.82%
AUSTINLAZ	2.20	-0.20	↓ -8.33%
STERLINGNG	7.15	-0.20	↓ -2.72%

Source: NGX, AIICO Capital

Foreign Exchange

The Nigerian Foreign Exchange Market (NFEM) saw the Naira depreciate against the US Dollar as the supply wasn't enough to meet available demand. The Naira weakened by ₦2.34 (16bps) per USD to close at ₦1,457.84/\$, even as it traded within a range of ₦1,462.90 and ₦1,456.50 per USD during the session.

As for the External Reserve, a day-on-day decline of -\$57.05 million was recorded, bringing it to \$45.21 billion (as of 17-Dec-25), dragging the Year-to-Date (YTD) gain lower to +10.60%.

Outlook: Barring any significant shift in supply, we expect Naira to trade around similar level tomorrow.

NFEM RATE (\$/N)		Diff.
18-Dec-25	1,457.84	
17-Dec-25	1,455.50	↑ 2.3419

Source: CBN

Source: CBN, AIICO Capital

Commodities

Global oil prices edged marginally higher on Thursday as investors assessed the likelihood of further U.S. sanctions against Russia and the supply risks posed by a blockade of Venezuelan oil tankers. Brent crude rose 70 cents, or 1.18%, to \$60.10 per barrel, while U.S. West Texas Intermediate (WTI) rose by 67 cents, or 1.20%, to \$56.48.

Conversely, The bright metal cannot attract speculative interest on Thursday, despite central banks announcements and the United States latest inflation update. As such, Spot gold declined by -0.17% to \$4,333.67/oz, while U.S. gold futures followed up with -0.19% drop to \$4,365.40/oz.

Outlook: We expect oil to remain vulnerable to further declines unless major escalations disrupt larger supplies. order to continue to outperform, acting as a hedge against both geopolitical and economic risks.

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)	45.21 (+10.60% YTD as of 17-Dec-25)
MONETARY POLICY RATE (NOV'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*60.10 (+0.70 d/d)

Source: NBS, CBN, Bloomberg, AIICO Capital

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