

DAILY MARKET INSIGHTS.



Monday, 5 December 2024

MARKET COMMENTARY

System Liquidity

Market liquidity opened the first full week of the year with a surplus balance of ₦3.41 trillion, representing an improvement of ₦54.83 million from the previous day. This was driven by an increase in Deposit Money Banks (DMBs) placement in CBN's Standing Deposit Facility (SDF) window to ₦3.21 million and an inflow of ₦58.59 million from bond coupon payment.

Consequently, average funding cost eased by 2bps to 22.61% as the Open Repo Rate (OPR) held at 22.50% while the Overnight Rate (OVN) dropped 4bps to close at 22.71%.

Outlook: We expect liquidity to stay relatively strong, barring any notable outflow and keep funding rate within the same range.

SYS. LIQ. (₦'BN)	Diff.
5-Jan-26	3,414.24
2-Jan-26	3,359.41

Source: CBN, AIICO Capital

Eurobonds

The African Eurobonds market traded on a mixed but largely stable note, buoyed by improved global risk appetite amid easing U.S. yields and relative stability in oil prices.

Specifically, Nigerian sovereign bills recorded marginal yield movements across maturities, with mild compression on the NOV-27, SEP-28, MAR-29, and FEB-32 papers, which declined by between 1bp and 4bps. Other maturities also posted slight yield moderation. In contrast, slight yield upticks were observed on the FEB-30, JAN-31, and JAN-36 maturities, while several long-dated papers closed flat.

Consequently, Nigeria's average benchmark yield remained unchanged at 7.05%.

Outlook: We expect trading to remain range-bound in the near term

BENCHMARK FGN EUROBOND YIELDS			
	05-Jan-26	02-Jan-26	Change in Yield (%)
5 YRS: NGERIA 8.375% 03/24/29	5.98%	5.99%	(0.01)
10 YRS: NGERIA 7.375% 09/29/33	6.97%	6.97%	-
15 YRS: NGERIA 7.696% 23/02/38	7.59%	7.59%	-
30 YRS: NGERIA 8.25% 09/29/51	8.35%	8.37%	(0.02)
8.75% ETI 06/17/31*	5.59%	5.65%	(0.01)

Source: FirstBank UK, AIICO Capital

Treasury Bills

The NTB secondary market traded on a bullish note, driven by sustained buying interest across the mid- to long-dated maturities amid ample system liquidity.

Specifically, notable demand was observed on the 19-Mar-26, and 21-May-26 bills, which recorded rate compressions of 8bps, and 14bps, respectively. The rally was more pronounced at the longer end, as the 09-Jul-26 to 05-Nov-26 papers saw sharp discount rate declines ranging between 25bps and 48bps, with the 22-Oct-26 bill closing at 16.24% (-45bps). Short-dated bills were largely unchanged, reflecting limited activity at the front end.

Consequently, average NTB rates declined by 14bps to close at 16.08%.

Outlook: We expect the market to trade in line with system liquidity in the near term.

BENCHMARK T-BILLS DISCOUNT RATES

	05-Jan-26	02-Jan-26	Change in Rates
73 DAYS	15.60%	15.68%	(0.08)
164 DAYS	15.50%	15.50%	-
346 DAYS	16.40%	16.41%	(0.01)

Source: FMDQ, AICO Capital

FGN Bonds

The FGN bond market traded on a mixed-to-bearish note as investors adopted a cautious stance, resulting in muted risk appetite and light positioning across the curve. On the short end, the 17-Apr-29 and 28-Nov-28 bonds recorded notable yield upticks of 24bps to 17.22% and 15bps to 17.06%, respectively.

At the belly of the curve, the 2030, 2031, 2032, 2033, and 2035 maturities also saw notable yield increases. Similarly, at the long end, yields rose across most maturities from 2035 to 2051, save-for the 26-Apr-49 and 18-Apr-38 bonds, which closed flat. Overall, the average benchmark yield increased by 12bps to close at 16.68%.

Outlook: In the near term, we expect the bond market to remain range-bound, driven by

system liquidity conditions and selective investors demand across the curve.

BENCHMARK FGN BOND YIELDS

	05-Jan-26	02-Jan-26	Change in Yield
5 YRS: 19.30% 17-APR-2029	17.22%	16.98%	0.24
10 YRS: 22.60% 29-JAN-2035	16.89%	16.76%	0.13
13 YRS: 15.45% 21-JUN-2038	16.30%	16.18%	0.12
28 YRS: 15.70% 21-JUN-2053	14.93%	14.80%	0.13

Source: FMDQ, AICO Capital

Nigerian Equities

The Nigerian equities market closed the session on a positive note, with the All-Share Index rising by 174bps, bringing year-to-date performance to a gain of 2.32%. Market breadth was strong, as 72 stocks advanced against 7 decliners. ABBEYBDS, WAPIC, REGALINS, NSLTECH, FTNCOCOA, MAYBAKER, CADBURY, PZ, FIDSON, and CHAMPION led the gainers with 10% appreciation, while JULI topped the losers' chart, shedding 9.93%. TANTALIZER recorded the highest traded volume at 71.75 million shares, while ZENITHBANK led in value traded with ₦3.51 billion.

Sectoral performance was broadly positive. The NGX Banking Index led gains, supported by strong rallies in WEMABANK, ETI, ACCESSCORP, UBA, FCMB, GTCO, FIDELITYBK, and ZENITHBANK. The Consumer Goods Index also closed higher, driven by gains in PZ, CADBURY, CHAMPION, DANGSUGAR, and NB. Meanwhile, the Oil and Gas and Industrial indices posted solid advances on the back of OANDO, ARADEL, AUSTINLAZ, and BUACEMENT.

Despite the bullish close, total value traded declined by 25.74% to ₦18.57 billion, with market activity largely driven by cross deals and select names such as ZENITHBANK, WAPCO, NB, and GTCO.

Outlook: Amid significant positive market breadth of +12.0x, we expect positive sentiment to persist, as portfolio rebalance continues among portfolio manager ahead of earnings season.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.74%	↑ 3.13%	↑ 2.32%	↑ 2.32%
NSE BANKING INDEX	↑ 4.71%	↑ 8.11%	↑ 7.14%	↑ 7.14%
NSE INSURANCE INDEX	↑ 4.97%	↑ 11.20%	↑ 7.14%	↑ 7.14%
NSE INDUSTRIAL GOODS INDEX	↑ 0.95%	↑ 1.59%	↑ 0.96%	↑ 0.96%
NSE CONSUMER GOODS INDEX	↑ 2.06%	↑ 3.34%	↑ 2.28%	↑ 2.28%
NSE OIL & GAS INDEX	↑ 3.75%	↑ 4.94%	↑ 5.18%	↑ 5.18%

Source: NGX, AICO Capital

Outlook: Supported by strengthening foreign reserves, we expect the Naira to continue to move in accordance with current market supply and demand conditions.

NFEM RATE (\$/N)	Diff.
5-Jan-26	1,429.3054
2-Jan-26	1,430.8479  (1.5425)

Source: CBN, AICO Capital

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
CADBURY	64.90	5.90	↑ 10.00%
CHAMPION	15.40	1.40	↑ 10.00%
FIDSON	60.50	5.50	↑ 10.00%
PZ	49.50	4.50	↑ 10.00%
WAPIC	3.85	0.35	↑ 10.00%

Source: NGX, AICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
JULI	7.26	-0.80	↓ -9.93%
IKEJAHOTEL	40.45	-4.45	↓ -9.91%
SUNUASSUR	5.25	-0.25	↓ -4.55%
SOVRENINS	3.72	-0.09	↓ -2.36%
BERGER	47.00	-1.00	↓ -2.08%

Source: NGX, AICO Capital

Foreign Exchange

The Naira started the first full trading week in the year on a positive note to appreciate by 11bps (₦1.53) at the Nigerian Foreign Exchange Market (NFEM) window to close at ₦1,429.31 per USD. The uptick was driven by the CBN intervention and improved supply from market participants. Notably, the naira traded within a range of ₦1,433.00 and ₦1,424.00 per USD during today's session.

The External Reserve was noted at \$45.57 billion (as of 2-Jan-26), reflecting a \$62.78 million day-on-day gain.

Commodities

Global Oil prices increased by more than 1% on Monday as traders assessed the possible impact on crude flows from Venezuela, home to the world's largest oil reserves, following the U.S. capture of Venezuelan President Nicolas Maduro. Brent crude rose sharply by \$1.54 or 1.63%, to \$61.74 per barrel, while U.S. West Texas Intermediate (WTI) rose by \$1.00 or 1.74%, to \$58.32.

Similarly, gold rose to a one-week high on Monday, after U.S. strikes in Venezuela added to bullion's safe-haven appeal. Spot gold price climbed 2.82% to \$4,452.50/oz, while U.S. gold futures rose 1.20% to \$4,381.65/oz.

Outlook: We anticipate market to trade mixed as investors continue to assess impact of crude flows from Venezuela.

MACRO INDICATORS	
	+3.98% (Q2: 2025 +4.23% y/y)
INFLATION (NOVEMBER 2025)	14.45% (Oct'25: 16.05%)
EXTERNAL RESERVE (US\$'BILLION)	45.57 (+11.47% YTD as of 02-Jan-26)
MONETARY POLICY RATE (NOV'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*\$61.74 (+0.99 d/d)

Source: NBS, CBN, Bloomberg, AICO Capital

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