

DAILY MARKET INSIGHTS.



Tuesday, 6 December 2024

MARKET COMMENTARY

System Liquidity

Market liquidity opened the day with a surplus balance of ₦4.12 trillion, representing an improvement of ₦706.71 billion from the previous day. This was driven by an inflow of ₦1.37 trillion OMO maturities, despite decline in Deposit Money Banks (DMBs) placement in CBN's Standing Deposit Facility (SDF) window and ₦108.00 billion borrowing through the Standing Lending Facility (SLF) window.

Meanwhile, the CBN conducted an OMO auction of ₦600 billion worth but allotted ₦2.71 trillion across 161- and 210-day tenors.

Consequently, average funding cost held steady at 22.61% as the Open Repo Rate (OPR) remained at 22.50% while the Overnight Rate (OVN) dropped 1bps 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.
6-Jan-26 4,120.94	
5-Jan-26 3,414.24	706.71

Source: CBN, AIICO Capital

Eurobonds

The African Eurobonds market closed on a negative note, as profit-taking pressured sentiment amid renewed uncertainty surrounding the timing and magnitude of U.S. rate cuts, compounded by softer crude oil prices.

Within this backdrop, Nigerian sovereign Eurobonds experienced broad-based yield increases across the curve, with pronounced upticks in the Mar-2029, Jan-2031, Jun-2031, and Sep-2033 maturities.

As a result, Nigeria's average benchmark yield climbed by 7bps to 7.12%, up from 7.05% previously.

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

:NCHMARK FGN EUROBOND YIELDS			
	06-Jan-26	05-Jan-26	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.07%	5.98%	0.09
10 YRS: NGERIA 7.375% 09/29/33	7.08%	6.97%	0.11
15 YRS: NGERIA 7.696% 23/02/38	7.66%	7.59%	0.07
30 YRS: NGERIA 8.25% 09/29/51	8.41%	8.35%	0.06
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 mildly bearish note, as selling pressure dominated the mid- to long-dated maturities amid market expectation of Q1-2026 NTB issuance calendar.

Specifically, short-dated bills closed largely flat due to limited activity at the front end. In contrast, 26-Mar to 21-May maturities saw moderate rate increases of 20bps–24bps, while selling pressure was more pronounced at the longer end, with 09-July to 05-Nov papers recording yield expansions of 27bps–32bps. A few long-dated bills, notably 19-Nov-26 and 17-Dec-26, closed marginally lower.

Consequently, average NTB rates rose by 16bps to close at 16.24%.

Outlook: We expect market performance to remain sensitive to liquidity conditions and investor risk appetite in the near term.

BENCHMARK T-BILLS DISCOUNT RATES

	06-Jan-26	05-Jan-26	Change in Yield (%)
72 DAYS	15.60%	15.60%	-
163 DAYS	15.50%	15.50%	-
345 DAYS	16.39%	16.40%	(0.01)

Source: FMDQ, AICO Capital

FGN Bonds

The FGN bond market traded on a largely mixed but slightly bearish note, as cautious investor sentiment resulted in selective positioning across the curve. On the short end, the 20-Mar-26 bond recorded a notable yield uptick of 17bps to close at 16.74%, while the 22-Jan-26 bond saw mild buying interest with a 5bps yield compression to 16.15%.

Also, sell pressure was evident on a few mid- to long-dated maturities, notably the 21-Feb-31, 23-Jul-30, and 27-Aug-30 bonds, which saw yields expand by 10bps, 7bps, and 7bps, respectively, while most other mid-dated and long end papers benchmarks closed flat, reflecting subdued activity.

This mixed performance drove the average benchmark yield marginally higher by 1bp to close at 16.69% from a previous 16.68%.

Outlook: In the near term, we expect the bond market to remain range-bound, with activity largely driven by liquidity conditions and selective demand on attractive mid-tenor maturities, while cautious sentiment persists.

BENCHMARK FGN BOND YIELDS

	06-Jan-26	05-Jan-26	Change in Yield (%)
5 YRS: 19.30% 17-APR-2029	17.22%	17.22%	-
10 YRS: 22.60% 29-JAN-2035	16.89%	16.89%	-
13 YRS: 15.45% 21-JUN-2038	16.30%	16.30%	-
28 YRS: 15.70% 21-JUN-2053	14.93%	14.93%	-

Source: FMDQ, AICO Capital

Nigerian Equities

The Nigerian equity market closed in positive territory as the All-Share Index (ASI) advanced by 46bps, bringing its year-to-date return to 2.79%. Market breadth was positive, with 64 gainers against 21 losers. MEYER led the gainers' chart with a 10% appreciation, while ALEX topped the losers' table, shedding 9.96%. Activity was mixed, as LINKASSURE dominated volume traded with 51.63 million shares, while GTCO led value traded at ₦2.04 billion.

Sector performance was largely mixed: the NGX Banking Index declined by 5bps, weighed down by losses in UBA, ACCESSCORP, FCMB, FIDELITYBK, and ZENITHBANK, despite gains in GTCO and STANBIC. The NGX Consumer Goods Index fell by 54bps following declines in HONYFLOUR, INTBREW, CHAMPION, DANGSUGAR, and PZ, although gains in UNILEVER, VITAFOAM, NASCON, CADBURY, and MCNICHOLS provided some support. The NGX Oil and Gas Index dropped sharply by 260bps due to selloffs in OANDO and ARADEL, while the NGX Industrial Index rose by 268bps, driven by strong gains in MEYER, AUSTINLAZ, BERGER, DANGCEM, WAPCO, BETAGLAS, and CUTIX.

Value traded increased by 6.72% to \$13.91 million, with the market opening bullish before momentum moderated, as banking stocks largely drove activity amid limited cross deals.

Outlook: Amid significant positive market breadth of +3.37x, 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	↑ 0.46%	↑ 3.17%	↑ 2.79%	↑ 2.79%
NSE BANKING INDEX	↓ -0.05%	↑ 8.58%	↑ 7.08%	↑ 7.08%
NSE INSURANCE INDEX	↑ 3.81%	↑ 13.64%	↑ 11.22%	↑ 11.22%
NSE INDUSTRIAL GOODS INDEX	↑ 2.68%	↑ 3.52%	↑ 3.66%	↑ 3.66%
NSE CONSUMER GOODS INDEX	↓ -0.54%	↑ 1.93%	↑ 1.73%	↑ 1.73%
NSE OIL & GAS INDEX	↓ -2.60%	↑ 1.87%	↑ 2.44%	↑ 2.44%

Source: NGX, AICO Capital

TOP 5 EQUITY ADVANCERS			
CLOSING			
NAME (SYMBOL)	PRICE	GAIN(N)	% CHANGE
JAIZBANK	5.28	0.48	↑ 10.00%
MEYER	14.30	1.30	↑ 10.00%
ABCTRANS	4.96	0.45	↑ 9.98%
AUSTINLAZ	5.64	0.51	↑ 9.94%
LIVINGTRUST	3.76	0.34	↑ 9.94%

Source: NGX, AICO Capital

TOP 5 EQUITY DECLINERS			
CLOSING			
NAME (SYMBOL)	PRICE	LOSS(N)	% CHANGE
ALEX	21.70	-2.40	↓ -9.96%
LEARNAFRCA	5.95	-0.60	↓ -9.16%
OANDO	40.80	-3.40	↓ -7.69%
UBA	43.00	-2.85	↓ -6.22%
ACCESSCORP	23.50	-1.50	↓ -6.00%

Source: NGX, AICO Capital

Foreign Exchange

The Naira sustained its positive trading activities for the fourth consecutive sessions to appreciate by 72bps (₦10.24) at the Nigerian Foreign Exchange Market (NFEM) window to close at ₦1,419.07 per USD. The uptick was driven by inflows from Foreign Portfolio Investors (FPIs). Notably, the naira traded within a range of ₦1,426.00 and ₦1,414.00 per USD during today's session.

The External Reserve was noted at \$45.61 billion (as of 5-Jan-26), reflecting a \$40.75 million day-on-day gain.

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 (\$/₦)		Diff.
6-Jan-26	1,419.0650	
5-Jan-26	1,429.3054	↓ (10.2404)

Source: CBN, AICO Capital

Commodities

Global Oil fell slightly on Tuesday as the market weighed expectations of ample global supply this year against uncertainty around Venezuelan crude supplies after the U.S. capture of Nicolas Maduro, the South American country's leader. Brent crude shed 69cents or 1.12%, to \$61.07 per barrel, while U.S. West Texas Intermediate (WTI) lost 79cents or 1.35%, to \$57.53.

Conversely, gold extended gains on Tuesday, buoyed by safe-haven demand after the U.S. capture of Venezuela's president fuelled global tensions, while investors awaited U.S. payroll data for insights into the Federal Reserve's interest rate policy. Spot gold price climbed 0.90% to \$4,488.72/oz, while U.S. gold futures rose 1.08% to \$4,499.50/oz.

Outlook: Tomorrow, we expect precious metals like gold to remain supported by safe-haven demand and Fed rate-cut expectations, while oil prices may stay under pressure from ample global supply and the prospect of increased Venezuelan output.

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)	45.61 (+0.23% YTD as of 05-Jan-26)
MONETARY POLICY RATE (NOV'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*\$61.07 (-0.69 d/d)

Source: NBS, CBN, Bloomberg, AICO Capital

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