

# DAILY MARKET INSIGHTS.



Tuesday, 6 December 2024

## MARKET COMMENTARY

### System Liquidity

The money market experienced tight liquidity conditions today, opening the day with a balance of ₦1.66 trillion, representing depletion of ₦2.46 billion from the previous day. This was driven by decline in Deposit Money Banks (DMBs) placement in CBN's Standing Deposit Facility (SDF) window and ₦235.00 billion borrowing through the Standing Lending Facility (SLF) window. Meanwhile, the CBN conducted an NTB auction of ₦1.15 trillion worth but allotted ₦1.15 trillion across 91-, 182- and 364-day tenors.

Consequently, average funding cost rose by 4bps to 22.65% as the Open Repo Rate (OPR) remained at 22.50% while the Overnight Rate (OVN) increased by 8bps to close at 22.79%.

**Outlook:** Amidst the expected outflow of ₦1.14 trillion from today's NTB auction, we expect liquidity to open moderately and drove the funding cost slightly higher in the next session.

SYS. LIQ. (₦'BN)	Diff.
7-Jan-26	1,656.58
6-Jan-26	4,120.94 <span style="color:red">↓(2,464.37)</span>

Source: CBN, AIICO Capital

### Eurobonds

The African Eurobonds market traded largely bearish, as profit-taking weighed on activity following softer crude oil prices, driving yield increases across most maturities.

Additionally, the late release of the U.S. ISM Services PMI, which rose to 54.4 in December, reinforced cautious sentiment and accelerated yield increases across major African sovereign issuances.

Consequently, yields on all Nigerian Eurobonds moved higher, pushing the average benchmark yield up significantly by 13bps to 7.25%.

**Outlook:** Cautious trading activities to persist as market continue to react to oil price volatility and various economic data.

#### BENCHMARK FGN EUROBOND YIELDS

	07-Jan-26	06-Jan-26	Change in Yield (%)
5 YRS: NGERIA 8.375% 03/24/29	6.20%	6.07%	0.13
10 YRS: NGERIA 7.375% 09/29/33	7.20%	7.08%	0.12
15 YRS: NGERIA 7.696% 23/02/38	7.81%	7.66%	0.15
30 YRS: NGERIA 8.25% 09/29/51	8.54%	8.41%	0.13
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 largely calm and stable note, as investors' attention shifted towards the first NTB auction in 2026 where the DMO offered ₦1.15 trillion across 91-, 182-, and 364-day tenors, against maturing ₦514.25bn. The auction witnessed an increase in stop rate to 15.80%, 16.50% and 18.47%, for the three tenors.

Meanwhile, buying interest on 26-Mar-26 supported by positive system liquidity eased its rate by 1bp to 15.88%.

Consequently, average NTB rate remained unchanged at 16.24%.

**Outlook:** We expect market to trade cautiously tomorrow as market participants react to the outcome of the NTB auction and expected crunch in the system liquidity.

BENCHMARK T-BILLS DISCOUNT RATES			
	07-Jan-26	06-Jan-26	Change in Yield (%)
71 DAYS	15.60%	15.60%	-
162 DAYS	15.50%	15.50%	-
344 DAYS	16.39%	16.39%	0.00

Source: FMDQ, AICO Capital

## FGN Bonds

The FGN bond market traded on a mixed but slightly bearish note, as sell pressure was more pronounced across select mid- to long-dated maturities, while activity at the short end remained largely muted. On the short end, mild buying interest was seen on the 22-Jan-26 and 20-Mar-26 bonds, which recorded marginal 1bp yield compressions to close at 16.14% and 16.73%, respectively.

Also, selling pressure intensified further along the curve, particularly on the 28-Nov-28 and 17-Apr-29 bonds, which recorded notable yield expansions of 19bps and 29bps, respectively. Additional weakness was evident on the 25-Jun-32, 15-May-33, and 21-Jun-33 papers, with yields rising by between 28bps and 37bps.

This mixed performance drove the average benchmark yield marginally higher by 4bps to close at 16.73% from a previous 16.69%.

**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			
	07-Jan-26	06-Jan-26	Change in Yield (%)
5 YRS: 19.30% 17-APR-2029	17.51%	17.22%	0.29
10 YRS: 22.60% 29-JAN-2035	16.88%	16.89%	(0.01)
13 YRS: 15.45% 21-JUN-2038	16.30%	16.30%	0.00
28 YRS: 15.70% 21-JUN-2053	14.93%	14.93%	0.00

Source: FMDQ, AICO Capital

## Nigerian Equities

The Nigerian bourse closed the session higher, with the NGX All-Share Index (ASI) advancing by 40bps to push its year-to-date return to 3.2%. UNIONICON, OKOMUOIL, and SEPLAT led the gainers' chart with 10.0% increases each, while CADBURY topped the losers' table after shedding 10.0%. Market breadth was negative, as 34 stocks gained while 38 declined. UNIVINSURE led trading activity by volume with 804.11 million shares exchanged, while SEPLAT dominated the value chart with trades worth ₦3.5 billion.

Sectoral performance was mixed. The NGX Banking Index declined by 98bps, weighed down by losses in ETI, ACCESSCORP, FIDELITYBK, GTCO, and FCMB, although gains in ZENITHBANK and UBA provided mild support. The Consumer Goods Index rose by 48bps, supported by gains in MCNICHOLS, CHAMPION, UNILEVER, HONYFLOUR, INTBREW, NB, and DANGSUGAR, despite a sharp decline in CADBURY. The Oil and Gas Index emerged as the best-performing sector, gaining 388bps on strong rallies in SEPLAT and ETERNA, while the Industrial Goods Index advanced by 50bps on gains in MEYER and WAPCO.

Market activity strengthened, with value traded rising by 4.07% to ₦14.48 million. Trading was dominated by large market crosses, led by 793.56 million shares of UNIVINSURE at ₦0.50, alongside notable crosses in GTCO, ZENITHBANK, ETI, and UCAP.

**Outlook:** Market to trade cautious in the next session amid profit-taking from recently rally, however, rally likely to persist on investors' positioning for earnings season.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.40%	↑ 3.20%	↑ 3.20%	↑ 3.20%
NSE BANKING INDEX	↓ -0.98%	↑ 6.03%	↑ 6.03%	↑ 6.03%
NSE INSURANCE INDEX	↑ 1.08%	↑ 12.42%	↑ 12.42%	↑ 12.42%
NSE INDUSTRIAL GOODS INDEX	↑ 0.50%	↑ 4.18%	↑ 4.18%	↑ 4.18%
NSE CONSUMER GOODS INDEX	↑ 0.48%	↑ 2.21%	↑ 2.21%	↑ 2.21%
NSE OIL & GAS INDEX	↑ 3.88%	↑ 6.42%	↑ 6.42%	↑ 6.42%

Source: NGX, AICO Capital

NAME (SYMBOL)	TOP 5 EQUITY ADVANCERS		
	CLOSING PRICE	GAIN(N)	% CHANGE
OKOMUOIL	1204.50	109.50	↑ 10.00%
SEPLAT	6,171.00	561.00	↑ 10.00%
UNIONDICON	8.80	0.80	↑ 10.00%
NCR	79.95	7.25	↑ 9.97%
MCNICHOLS	4.76	0.43	↑ 9.93%

Source: NGX, AICO Capital

NAME (SYMBOL)	TOP 5 EQUITY DECLINERS		
	CLOSING PRICE	LOSS(N)	% CHANGE
CADBURY	63.00	-7.00	↓ -10.00%
AUSTINLAZ	5.08	-0.56	↓ -9.93%
ALEX	19.55	-2.15	↓ -9.91%
HMCALL	4.21	-0.46	↓ -9.85%
FTNCOCOA	6.01	-0.64	↓ -9.62%

Source: NGX, AICO Capital

## Foreign Exchange

The Naira sustained its positive trading activities for the fifth consecutive sessions, appreciating marginally by 6bps (80 Kobo) at the Nigerian Foreign Exchange Market (NFEM) window to close at ₦1,418.26 per USD. The uptick was driven by continued inflows from Foreign Portfolio Investors (FPIs). Notably, the naira traded within a range of ₦1,423.00 and ₦1,415.00 per USD during today's session.

The External Reserve was noted at \$45.62 billion (as of 6-Jan-26), reflecting a \$17.64 million day-on-day addition.

**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.
7-Jan-26	1,418.2606
6-Jan-26	1,419.0650 ↓ (0.8044)

Source: CBN, AICO Capital

## Commodities

Global Oil prices settled lower for a second straight session on Wednesday as investors digested U.S. President Donald Trump's deal to import up to \$2 billion worth of Venezuelan crude, a move that would lift supplies to the world's largest oil consumer. Brent crude shed 92cents or 1.51%, to \$60.15 per barrel, while U.S. West Texas Intermediate (WTI) lost \$1.38 or 2.40%, to \$56.15.

Similarly, Gold prices declined as investors booked profits after a recent rally, though it pared some losses after weaker-than-expected U.S. jobs data bolstered bets of Federal Reserve rate cuts. Spot gold price dropped 0.86% to \$4,458.70/oz, while U.S. gold futures lost 0.66% to \$4,466.44/oz.

**Outlook:** We expect markets to trade cautiously tomorrow as softer crude oil prices on increased supply expectations and profit-taking in gold weigh on sentiment, though focus may shift to key U.S. economic data for direction.

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)	45.62 (+0.27% YTD as of 06-Jan-26)
MONETARY POLICY RATE (NOV'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*\$60.15 (-0.92 d/d)

Source: NBS, CBN, Bloomberg, AICO Capital

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