AIICO CAPITAL

Aim higher. Reach further

Macroeconomic & Market Review

Global Economic Update

- **United States:** In Q3 2024, the US economy grew by 3.1%, driven by robust personal spending and investment. The Federal Reserve cut interest rates by 25 bps in December, bringing the federal funds rate to 4.25%-4.5%. Core PCE inflation is projected to remain around 2.5%-2.8% in the coming years.

- **United Kingdom:** The UK economy stagnated in Q3 2024, with the services sector declining. The Bank of England held the benchmark rate at 4.75%, noting inflation risks, while some policymakers advocated for a rate cut due to weak demand and a softening labor market.

- **Euro Area:** The Eurozone's GDP grew by 0.4% in Q3 2024, the strongest in two years. The ECB cut interest rates by 25 bps in December, marking the fourth cut of the year, due to a favorable inflation outlook. Inflation is expected to gradually decline, with growth forecasted at 0.7% for 2024.

- **China:** China's economy grew by 0.9% in Q3 2024 due to government stimulus aimed at addressing deflation and real estate issues. The PBoC maintained key lending rates in December but indicated a move towards a "moderately loose" monetary policy in 2025 to encourage growth.

- **African economies:** Angola's GDP grew by 5.5% in Q3 2024, fueled by crude oil, trade, and manufacturing. Ghana's economy expanded by 7.2% year-on-year, driven by industrial and services sectors. Egypt's GDP increased by 3.5%, while South Africa's rose by 0.3%, matching the previous quarter's pace despite lower expectations.

				
GDP	Q3'24 3.10%	Q3'24 0.00%	Q3'24 0.40%	Q3'24 0.90%
	Q2'24 3.00%	Q2'24 0.40%	Q2'24 0.20%	Q2'24 0.70%
	Q3'23 4.90%	Q3'23 -0.10%	Q3'23 -0.10%	Q3'23 1.50%
INTEREST/ POLICY RATE	Dec'24 4.50%	Dec'24 4.75%	Dec'24 3.15%	Dec'24 3.10%
	Nov'24 4.75%	Nov'24 4.75%	Nov'24 3.40%	Nov'24 3.10%
	Dec'23 5.50%	Dec'23 5.25%	Dec'23 4.50%	Dec'23 3.45%
INFLATION RATE	Nov'24 2.70%	Nov'24 2.60%	Dec'24 2.40%	Nov'24 0.20%
	Oct'24 2.60%	Oct'24 2.30%	Nov'24 2.20%	Oct'24 0.30%
	Nov'23 3.10%	Nov'23 3.90%	Dec'23 2.90%	Nov'23 -0.50%

				
GDP	Q3'24 7.20%	Q3'24 5.50%	Q3'24 3.50%	Q3'24 0.30%
	Q2'24 6.90%	Q2'24 4.10%	Q2'24 2.40%	Q2'24 0.30%
	Q3'23 2.00%	Q3'23 1.50%	Q3'23 2.65%	Q3'23 -0.90%
INTEREST/ POLICY RATE	Nov'24 27.00%	Nov'24 19.50%	Dec'24 27.25%	Nov'24 7.75%
	Sep'24 27.00%	Sep'24 19.50%	Nov'24 27.25%	Sep'24 8.00%
	Nov'23 30.00%	Nov'23 18.00%	Dec'23 19.25%	Nov'23 8.25%
INFLATION RATE	Nov'24 23.00%	Nov'24 28.41%	Nov'24 25.50%	Nov'24 2.90%
	Oct'24 22.10%	Oct'24 29.17%	Oct'24 26.50%	Oct'24 2.80%
	Nov'23 26.40%	Nov'23 18.19%	Nov'23 34.60%	Nov'23 5.50%

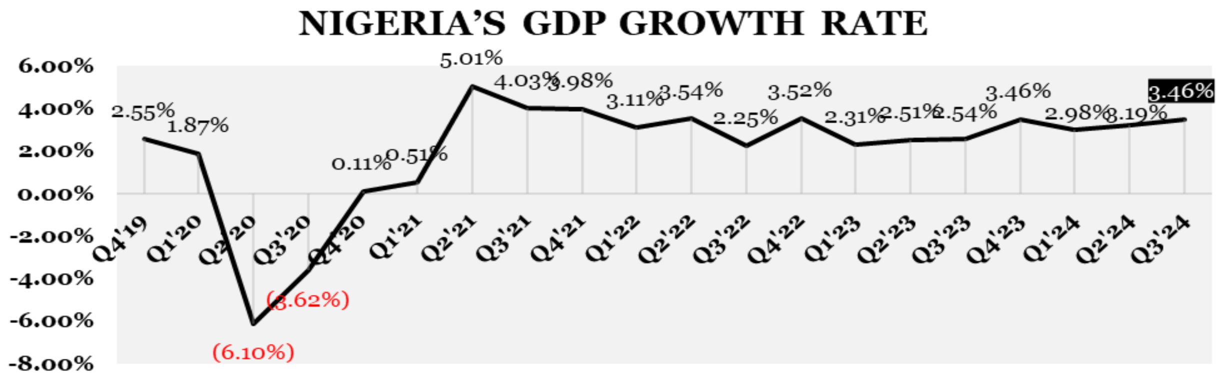
Domestic Economic

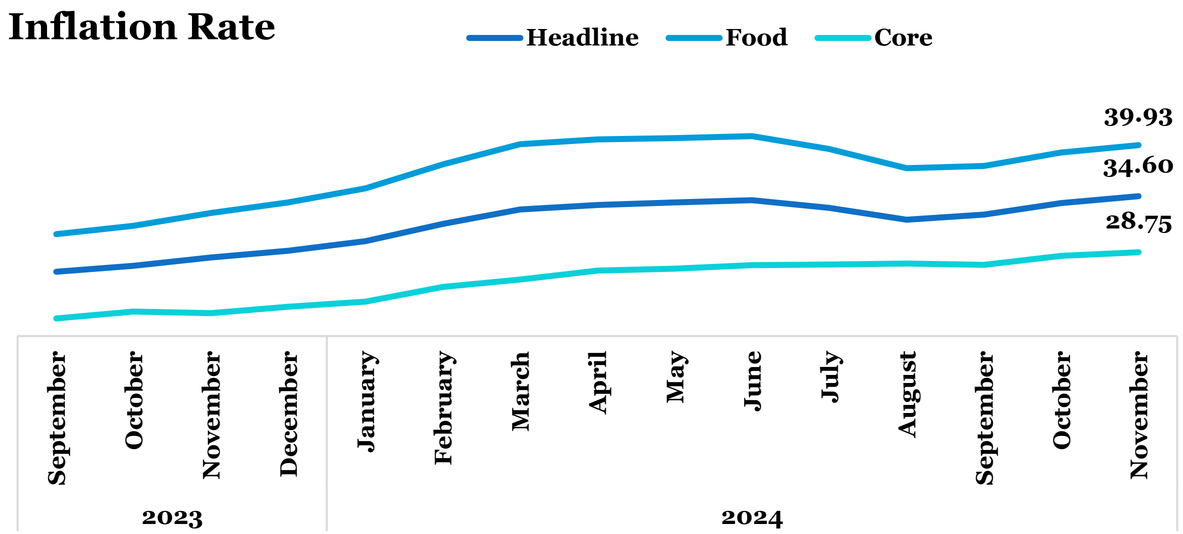
Nigeria's Economy:

- In November, headline inflation in Nigeria rose to 34.6% y/y, up from 33.9% in October, reflecting an increase of 0.7%. Similarly, food and core inflation climbed to 39.9% y/y and 28.8%y/y from 39.2%y/y and 28.4%y/y in October, respectively.

- Meanwhile, according to the Central Bank of Nigeria's (CBN) data, the Nigeria Composite Purchasing Managers Index (PMI) for November 2024 stood at 48.9 index points, indicating a contraction in economic activities for the second consecutive month. The contraction was driven by contraction experienced in Industry (49.3 points) and Service (47.4 points) activities, while the Agriculture activities expanded by 51 index points despite the dry season effect.

- Nigeria's capital importation fell by 51.9% to $1.25 billion in Q3 2024, the lowest inflow this year, reflecting a three-quarter consecutive decline. Additionally, the National Economic Council reported that state debts to the federal government reached N16.6 billion.



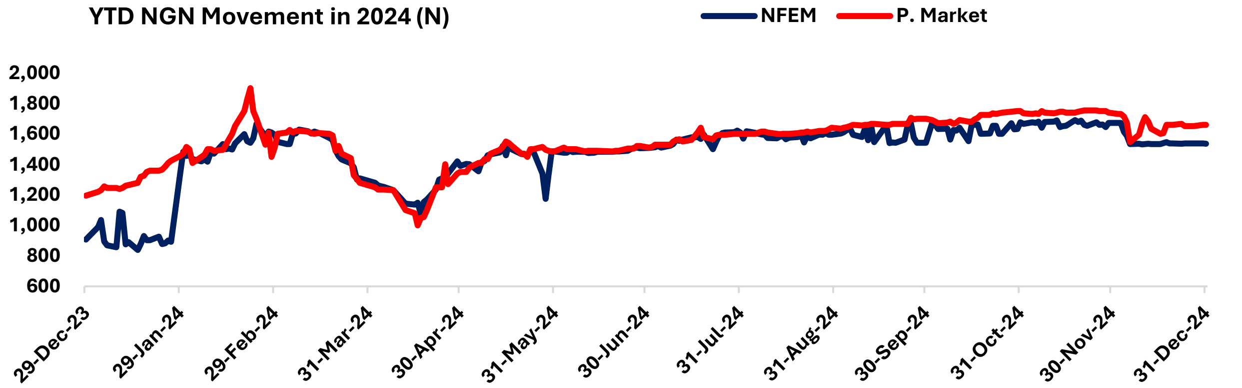


PMI	Composite	Industry	Services	Agriculture
Sep-24	50.5	49.7	51	51.4
Oct-24	49.6	49.3	50	50.3
Nov-24	48.9	49.3	47.4	51

Market Review – *Stable FX market; Sustained Liquidity crunch; Mixed sentiments in the NTB market*

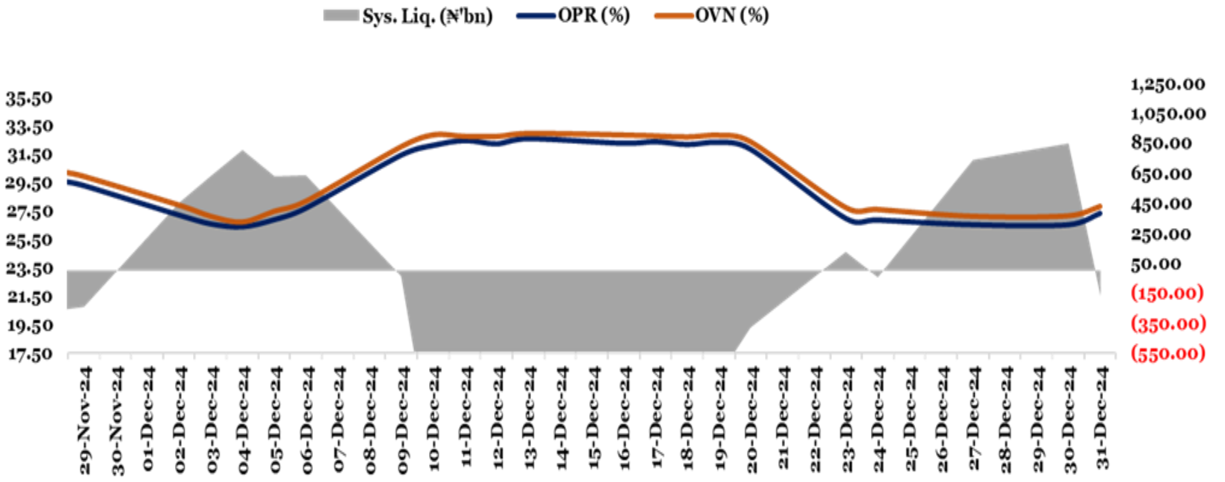
•FX Market

- **Naira Gained Momentum as CBN's 'BMATCH' and Increased Dollar Sales Boost Liquidity**
  - In December, the Naira across window appreciated amidst the introduction of NFEM trading system and BDC access to trade FX on the NAFEM window. As such, the Naira at the NFEM window appreciated by ₦137/USD in December, to closing at ₦1,535.8/USD and by ₦80/USD in the parallel market to close at ₦1,660/USD.
  - However, the Naira depreciated across windows in 2024, dropped by ₦629/USD (69.3%) in the NFEM window and by ₦465/USD (38.9%) in the parallel market.



•Money Market – System liquidity

- **Liquidity Tightened Despite FAAC Inflows as Interbank Rates Surge.**
  - The average system liquidity balance closed at -₦268.79 billion (-₦252.68 billion - Nov 24), reflecting increased funding pressures compared to November.
  - Consequently, the average OPR and O/N rates rose slightly, ending at 29.50% (+0.07%) and 30.06% (+0.04%) m/m.



•Treasury Bills Market

- **Mixed Sentiments Amid Liquidity Challenges; NTB & OMO Yields Adjust Downward.**
  - The Treasury bills market experienced mixed sentiments, with early subdued trading shifting to more active secondary market engagement following key NTB and OMO auctions.
  - Despite some late bearishness due to liquidity pressures, demand for specific papers like the 11 Dec 2025 NTB persisted. By month's end, the average mid-yield across benchmark NTB papers rose by 42bps m/m, settling at 25.99%.

DECEMBER 2024 NTB AUCTION RESULT

Tenor	Nov'24 Close	Dec'24 Auc 1	Dec'24 Auc 2	Dec'24 Auc 3	Change M-o-M (basis points)
91	18.00%	18.00%	18.00%	18.00%	**+0.00**
182	18.50%	18.50%	18.50%	18.50%	**+0.00**
364	**23.50%**	**22.93%**	**22.80%**	**22.90%**	**(60.00)**

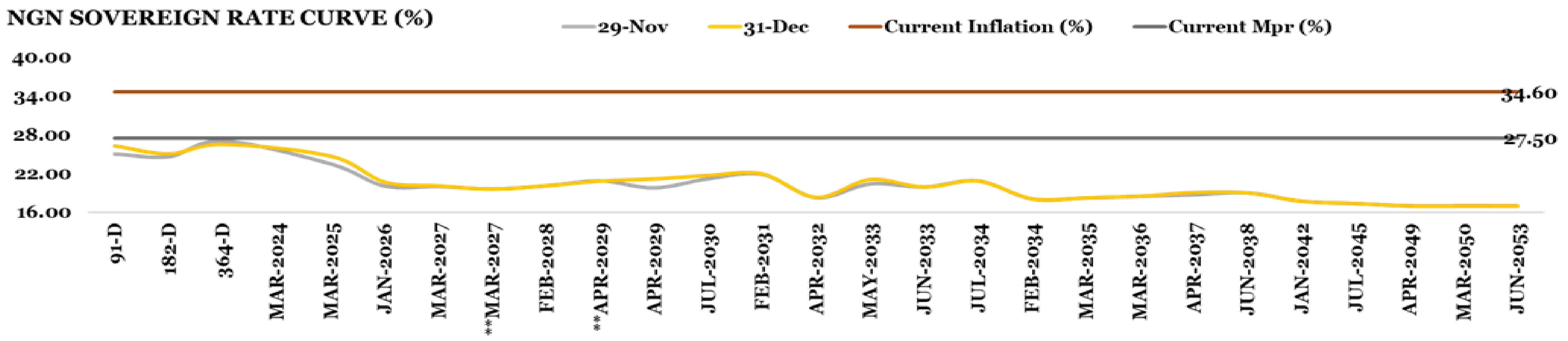
Market Review – *Activity was subdued overall, as investors stayed cautious*

•FGN Bonds

- **Subdued Activity Amid Cautious Sentiment**
  - The domestic bond market experienced subdued trading with mixed sentiments across key maturities, including April 2029, February 2031, May 2033, and February 2034.
  - The DMO's ₦120 billion bond auction was oversubscribed by ₦158.82 billion, pushing stop rates to 21.14% on the short end, while the 2031 stayed at 22.00%.
  - By month's end, selective demand resurfaced, primarily in the February 2031 paper. Overall, the average mid-yield across bonds rose by 22bps m/m, settling at 19.57%.

DECEMBER 2024 BOND AUCTION RESULT

Maturity	Offer (₦'bn)	Sub (₦'bn)	Allot (₦'bn)	Marginal Rate	Sep'24 Close	Change M-o-M (basis points)
17-Apr-29	60.00	67.46	51.86	21.14%	21.00%	+14.00
21-Feb-31	60.00	211.36	159.29	22.00%	22.00%	+0.00
	120.00	278.82	211.14			



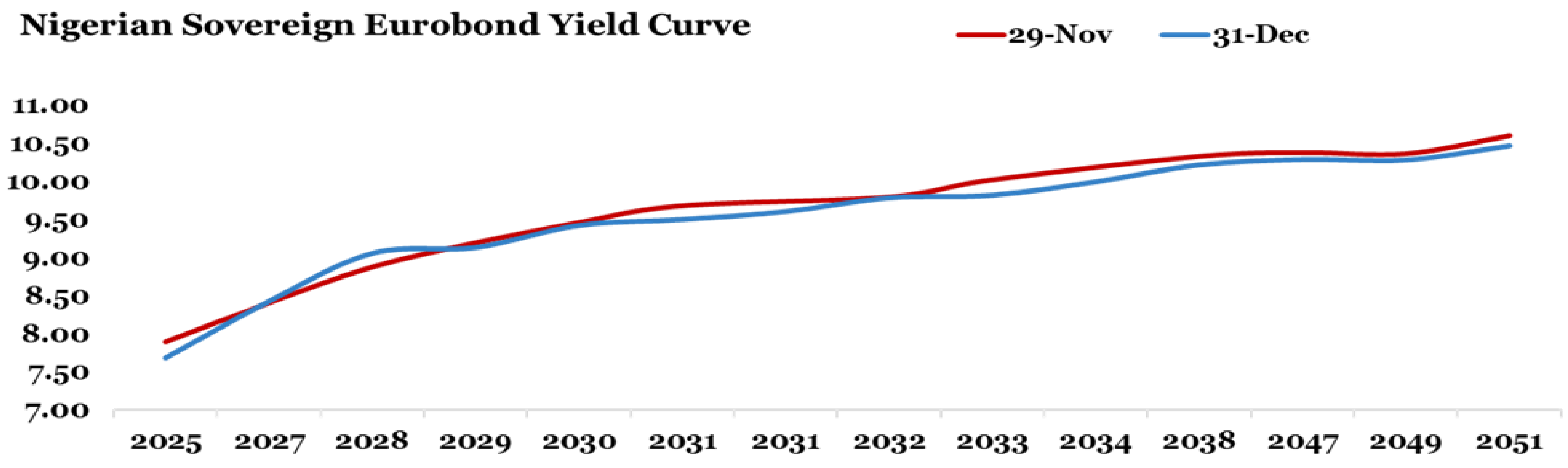
Market Review – *Global Economic Uncertainty Weighs on Eurobond Market Sentiment*

•Eurobonds Market

- **Mixed to bullish sentiments prevailed in the Nigerian Eurobonds market**
  - The Eurobond market displayed mixed sentiments, transitioning into a bullish trend driven by strong demand for Sub-Saharan African (SSA) and North African papers. Nigeria's newly issued 6.5- and 10-year Eurobonds, which printed at 9.625% and 10.375% yields, attracted significant investor interest, with subscriptions exceeding $9 billion.

  - The market turned bearish towards the month's end amid rising global economic uncertainty. Stronger-than-expected U.S. inflation data and the Producer Price Index increase led to cautious investor sentiment despite the anticipated Federal Reserve rate cuts.

  - The average mid-yield for Nigerian Eurobonds declined slightly, closing at 9.54%, reflecting a marginal 3bps m/m decline.

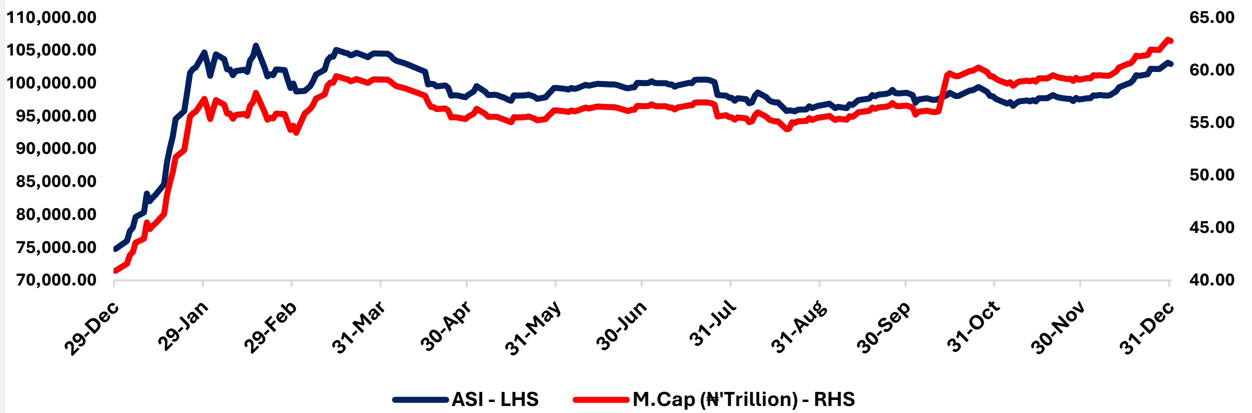


Market Review – Stock Investors took position in Dec as NGX-ASI expands by 37.7% in 2024

•Equities Market

- **Stock Investors took position in Dec as NGX-ASI expands by 37.7% in 2024**
  - The Nigerian local bourse (NGX All-Share Index) closed the year at 102,926.4 points, reflecting a 5.7%% month-on-month (M-o-M) growth, while the market capitalization rose by 6.2%% to ₦62.8 trillion. The discrepancy between the market capitalization and the NGX-ASI was driven by the listing of additional 20.7 billion units of Nigerian Breweries Plc and additional 10.05 billion units of Jaiz Bank Plc. Although Flour Mills of Nigeria Plc delisted its entire issued shares from the NGX.
  - In light of the above, the Nigeria Stock market closed the year on brighter note, having recorded 37.7% growth in 2024 amidst banking reforms and new listing.
  - Major new listing include Aradel Holdings Plc (N3.05 trillion), Transcorp Power Plc (N1.8 trillion) and Haldane McCall Plc (N11.99 billion), while about 21 companies raised a total of ₦8.6 trillion additional capital.
  - In term of the market activities, a total of 139.1 billion volume of shares worth ₦3.2 trillion in 2.4 million deals were traded in 2024.

Movement of NGX Market Indicators in 2024



Top 5 Performer	Open	Close	% Change
JULI	0.59	10.3	1645.8%
SUNUASSUR	1.1	10.75	877.3%
OANDO	10.5	66	528.6%
EUNISELL	3.2	19.27	502.2%
CONOIL	83.9	387.2	361.5%

Market Sector	Dec-23	Nov-24	Dec-24	YTD
NGX-ASI	4.8%	-0.1%	5.6%	37.7%
Banking	19.9%	3.4%	6.0%	20.9%
Consumer Goods	-1.8%	2.4%	8.9%	54.4%
Industrial Goods	-2.5%	2.1%	1.3%	31.7%
Insurance	6.2%	9.1%	47.2%	123.2%
Oil & Gas	-0.3%	3.2%	13.9%	160.0%

Top 5 Decliner	Open	Close	% Change
MULTIVERSE	18.57	7.35	-60.4%
DANGSUGAR	57	32.5	-43.0%
NASCON	52.7	31.35	-40.5%
DAARCOMM	0.9	0.63	-30.0%
MTNN	264	200	-24.2%

Market Outlook

•Synopsis

- **FX market**
  - The Naira is expected to remain stable and continue to trade within a similar range as the CBN sustains and rolls out supportive policies to bolster transparency and reduce speculative activities.
- **Money market – Naira Liquidity and Interbank rates**
  - We expect that the CBN will maintain its tight monetary policy by adopting measures to absorb liquidity via the OMO auctions, and CRR debits.
- **Fixed Income Market – Treasury Bills and FGN bonds market**
  - We expect yields to remain high, especially as January brings a total NTB primary market offering of ₦515 billion compared to a total NTB maturity of ₦74.40 billion.
  - The local bonds market is expected to trade cautiously as participants await the Q1 2025 FGN bond issuance calendar, which will help gauge the government's debt-raising appetite.
- **Equities Market**
  - We expect sustained positive sentiment from investors amid the anticipated earnings performance of blue-chip stocks
- **Eurobonds market**
  - The prospect of fewer-than-expected rate cuts in 2025 suggests a stronger dollar, which could lead to reduced demand for African investments from investors. Participants will also closely monitor President Trump's policies.

Metric	Present Situation	Expected for Jan'25	Expectations	Direction	Impact
Inflation	Higher	Higher	34.60% +/-5bps	↑	High
GDP Growth Rate	Positive	Positive	+3.46%+/-20bps	▬	Moderate
Reserve Level	Higher	Higher	$40.88bn +/- $200m	↑	High
Market liquidity	Positive	Lower	-N268.79bn +/- ₦450bn*	▬	Very High
Crude Oil prices	Lower	Neutral	$75.48 - 50	▬	High
Fed Rate	Dovish	Neutral	4.75% (0.00%)	▬	High
Nigerian Treasury Bills	Higher	Mixed	25.99% +/-10bps	▬	High
FGN Bonds	Higher	Mixed	19.57% +/-5bps	▬	High

Let’s help you

REACH FURTHER

ASSET MANAGEMENT | CREDIT & FINANCE | INVESTMENT | RESEARCH

AIICO Capital Limited.

ASSET MANAGEMENT | CREDIT & FINANCE | INVESTMENT | RESEARCH

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A leading financial services provider.

We are committed to delivering exceptional investment management and advisory services. Our mission is to create bespoke financial solutions tailored to the unique needs of each of our clients, ensuring custom-made financial goals are met with precision and care.

We Commenced operations as AIICO Capital Limited in 2012. We have grown into a trusted name in the financial services industry. Our journey began with a vision to provide innovative and client-focused investment solutions. Over the years, we have stayed true to this vision, consistently adapting to the evolving financial landscape and the dynamic needs of our clients.

What we offer.

Large client base & strong distribution network

AIICO Capital leverages AIICO Insurance Plc's branch network and strategic partnerships across Nigeria and Africa for extensive coverage. Its growing Assets Under Management (AUM) showcase this strong reach.

Experienced Workforce

AIICO Capital boasts a team of 30+ experienced professionals based in Lagos. Our young, vibrant workforce is key to delivering excellence to clients. With a decade of innovation and successful transactions, we play a vital role in Nigeria's capital market.

Strong Regulatory Collaboration

AIICO Capital maintains strong relationships with regulators like the SEC and NGX. Our dedicated Transaction Team ensures timely approvals by assisting with pre-transaction engagements, preparing required documents, and expediting the process.

What we offer.

Research Support

Our dedicated research team delivers innovative capital market solutions and financial services tailored to institutional clients.

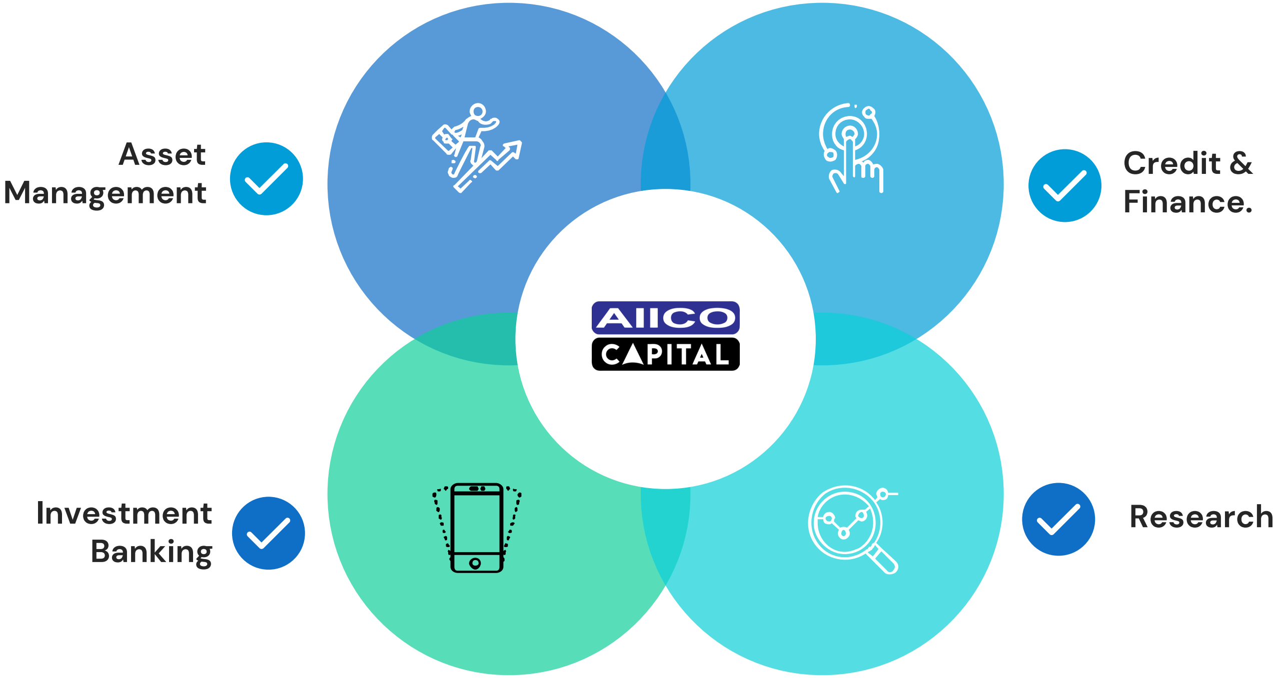
Project Management

We will serve as project manager for this transaction, handling tasks such as preparing timetables, issuing transaction correspondence, and liaising with regulatory authorities. We will also coordinate all professional parties to ensure successful completion.

Marketing

AIICO Capital, alongside the Company and other advisers, will develop a tailored marketing plan for the Bond Issuance Program. We will manage the printing, distribution of transaction documents, and ensure accessibility to shareholders while driving maximum participation in the offer.

We offer an array of financial/investment products & services.



A C I R

Asset Management

Fund/Investment Management

Portfolio Management Service

Fixed Income Trading

Investment Advisory Service

Credit & Finance

Personal Loans

Corporate Loans

Group Loans

Asset Backed Loans

Investment Banking

Mergers & Acquisitions

Corporate Restructuring Advisory

Capital Raising Services

Project Finance

Public Sector Advisory

Research

Macroeconomic Analysis

Industry Analysis

Company Analysis

Thematic Research

AIICO CAPITAL

Investment Managers

AIICO Capital Investments Managers Limited is a leading secure investments management firm in Nigeria, with over 13,000 institutional and retail clients spread across several industries.

The Company is a multi-asset manager, duly licensed by the Securities and Exchange Commission ("SEC") to provide portfolio a n d fund management services.


AIICO
CAPITAL
Investment Managers
MANAGED PORTFORLIO
AIICO MONEY MARKET FUND **(AMMF)**
AIICO EUROBOND FUND **(ABF)**
AIICO BALANCED FUND **(ABF)**
GUARANTEED INCOME NOTE (USD - NAIRA)

MANAGED PORTFOLIO

We provide managed portfolio services through investment accounts, offering discretionary or non-discretionary management aligned with clients' objectives.

AIICO EUROBOND FUND (AEF)

Minimum of 70% of the portfolio is invested in high-quality bonds, while a maximum of 30% of its assets are invested in quality money market instruments.

AIICO MONEY MARKET FUND (AMMF)

AIICO Money Market Fund delivers stable income and preserves capital by investing fully in high-quality short-term securities.

AIICO BALANCED FUND (ABF)

AIICO Balanced Fund is an award winning, actively managed open-ended Fund that invests primarily in equities, government securities, fixed deposit and fixed income securities.

GUARANTEED INCOME NOTE (USD - NAIRA)

Guaranteed Income Notes (Naira & Dollar) offer fixed income through Nigerian and USD-guaranteed treasury notes, Treasury Bills, Bonds, U.S. Treasuries, and Eurobonds.

AIICO CAPITAL

Finance

AlICO Capital Credit & Finance Limited is your comprehensive financial partner, dedicated to empowering individuals and businesses to navigate the complexities of the market. With a legacy rooted in the AlICO Group, we bring a wealth of experience and a commitment to delivering tailored solutions for your unique financial needs.

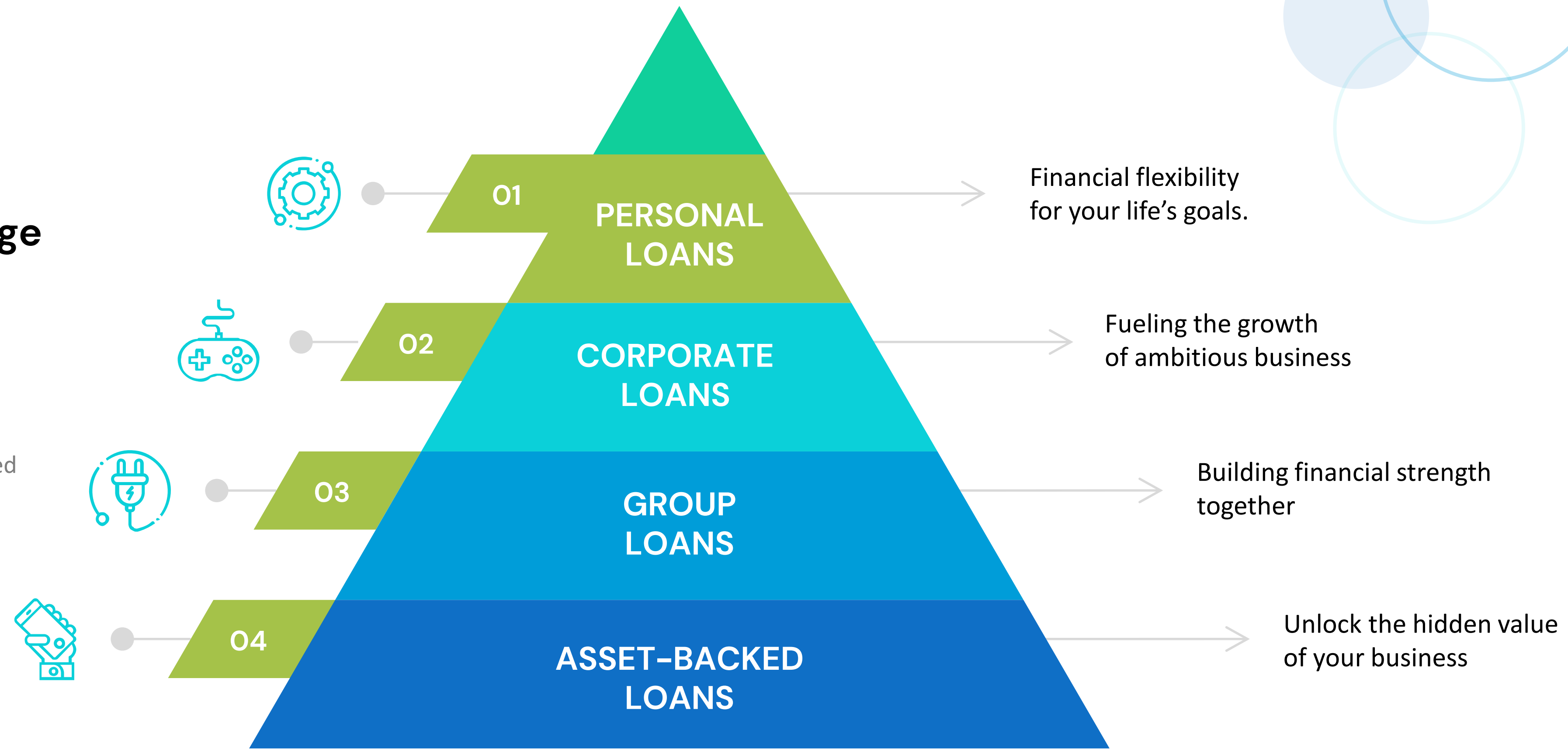
Our Commitment

We are driven by a client-centric approach, built on a foundation of trust, transparency, and unwavering dedication to your financial success.

Experience the AIICO Capital Finance Advantage

At AIICO Capital Finance, we understand that your financial needs are as unique as you are.

That's why we offer personalized loan solutions tailored to your specific situation.



Personal Loans.

At AIICO Capital Finance, we understand that your financial needs are as unique as you are. That's why we offer personalized loan solutions tailored to your specific situation.

No Collateral

Helps maintain business liquidity without risking assets.

Flexible Terms

Choose a repayment plan that works for your budget

Enhanced Cashflow

Smoothens operations by covering gaps in revenue cycles

Credit Building

Establishes a positive credit history for future financial flexibility

Corporate Loans.

We understand the unique challenges and enormous potential of SMEs. That's why we offer specialized SME loans designed to propel your business forward.

Expansion & Growth

Provide your business with the funding needed to scale operations.

Working Capital

Offers quick access to capital for taking advantage of time-sensitive deal.

Technology Upgrades

Get the funds you need quickly without unnecessary delays.

Inventory & Supplies

Enable the purchase of equipment, inventory, to optimize productivity

Group Loans.

We believe in the strength of the community and the transformative potential of group lending.

Collective Power

A group of individuals (typically 5-20) come together with a shared need for financing.

Joint Responsibility

The group assumes collective responsibility for loan repayment, offering security even if individual members lack traditional collateral.

Mutual Support

Group members often encourage and support one another, fostering a sense of accountability and shared goals.

Flexible Repayment

Tailored to accommodate group dynamics and individual contributions.

Asset-Backed Loans.

Let your liquid assets continue to yield good returns. Asset-backed loans provide a powerful way to access working capital by leveraging the value of what you already own. We help businesses turn their potential into cash flow.

Collateral

You pledge business assets such as equipment, inventory, or accounts receivable as security for the loan.

Valuation

We assess the fair market value of your assets to determine your loan eligibility.

Flexible Funding

Receive funding quickly, often with lower interest rates compared to unsecured loans.

Reduces Financial Strain

Offers a cost-effective alternative to unsecured loans, lowering financial stress.

AIICO
CAPITAL
Investment Banking

Backed by a team of seasoned professionals, AIICO Capital Limited delivers in-depth investment banking expertise. We understand the unique challenges business face in Nigeria and across the region. Our insights and experience help you make informed decisions, maximize opportunities, and mitigate risks.

Mergers & Acquisitions.

We guide clients through complex M&A transactions, ensuring informed decisions to maximize opportunities and mitigate risks. Whether expanding market presence, streamlining operations, or consolidating industry leadership, our tailored advisory services support your growth.

Corporate Restructuring Advisory.

We offer best-in-class advisory services for clients seeking corporate restructuring to revitalize and turn around their businesses. Whether you aim to enhance your company's value to shareholders or creditors through financial or operational restructuring, our experts are here to guide you.

Capital Raising Services.

Our investment bankers are experts in capital raising. We assist large corporations, SMEs, and emerging growth companies in accessing private and public capital markets for equity and debt financing through various methods such as IPOs, rights issues, and corporate bonds.

Project Finance.

We are dedicated to fostering growth within our communities through efficient, transparent, and cost-effective infrastructure projects. Whether you represent a government entity or a private sector organization seeking innovative solutions and financing for large-scale infrastructure projects, our expert team is here to assist you.

Public Sector Advisory.

We are dedicated to fostering growth within our communities through efficient, transparent, and cost-effective infrastructure projects. Whether you represent a government entity or a private sector organization seeking innovative solutions and financing for large-scale infrastructure projects, our expert team is here to assist you.

Experience in similar Transaction.

While AIICO Capital has hitherto been an asset management company, our principal personnel have diverse experience including listing and delisting of companies in the Nigerian Exchange Limited (NGX).

Some recent delisting transactions are:

Client: 11 Plc (formerly, Mobil Oil Nigeria Plc)

Transaction: Delisting of 360,595,262 (Three hundred and sixty million, five hundred and Ninety-Five thousand, two hundred and sixty-two) fully paid Ordinary Shares from the NGX.

Adviser: Cordros Capital Limited

Client: Capital Hotels Plc

Transaction: Delisting of 3,160,775,510 (Three billion, one hundred and sixty million, Seven hundred and Seventy-Five thousand, five hundred and ten) fully paid Ordinary Shares from the NGX.

Adviser: Cordros Capital Limited

AIICO CAPITAL

Research

AIICO Capital Limited's Research division plays a pivotal role in empowering informed decision-making for both our clients and our internal investment strategies. Our dedicated team of experienced analysts leverages rigorous methodologies and in-depth market knowledge to deliver timely and relevant insights.

Our Research Offerings:

Macroeconomic Analysis

Industry Analysis

Company Analysis

Thematic Research

Our Impact:

By providing comprehensive and actionable research, we empower our clients to make well-informed investment decisions. Our insights help them navigate complex markets, identify attractive opportunities, and manage risks effectively.

Internally, our research informs our investment strategies across various asset classes, including equities, fixed income, and alternative investments. This ensures that our portfolios are well-positioned to capture market opportunities and deliver superior returns for our clients.

At AIICO Capital Limited, we believe that sound research is the foundation of successful investing. Our commitment to delivering high-quality, independent research is a key differentiator in the competitive financial services landscape.

AIICOInvest

Download on the App Store

GET IT ON Google Play

Step 1

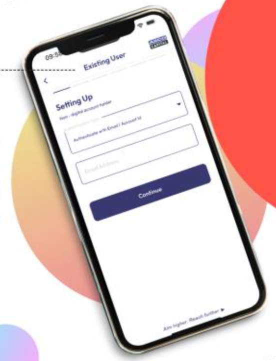
Swipe through the welcome screen and click on the "***Get started***" button at the bottom right corner of the last page.

Step 2

On the "***Select Profile***" page, look out for "Do you have an investment with AIICO Capital already?" at the bottom of the page. Use the "**Click here**" button to navigate to the next stage.

Do you have an investment with AIICO Capital already?

Click here



Step 3

On the "***Existing User***" page, Select the appropriate option from the dropdown menu (Email, Phone Number, Account ID) to generate an OTP. Insert the generated OTP and complete your onboarding process.

The AIICO Capital Board.

Chief Dr Oladele Fajemirokun
Chairman

Bukola Oluwadiya
Director

Ademola Adebise
Director

Olumide Soyombo
Director

Femi Ademola
Managing Director/CEO

Eguarekhide J. Longe
Director

Kikelomo Fajemirokun
Director

Our Branches:

HEAD OFFICE:
2nd Floor, AllCO Plaza,
Plot PC 12 Churchgate Street,
Victoria Island, Lagos.

ABUJA OFFICE:
E06, 4th Floor, Statement Hotel, Plot 1002, 1st Avenue,
Off Ahmadu Bello Way, Central Business District, Abuja.

PORTHARCOURT OFFICE:
Suite 3, Along Ezimgbu Link Road (Mummy B), Port Harcourt, Rivers State.


REACH
FURTHER