



PARTHIAN
SECURITIES

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Equity Market Wrap

04 April 2025

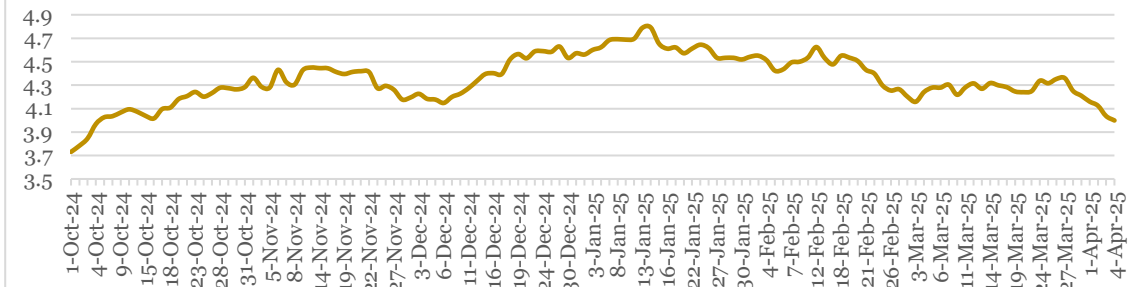
Global Update

- Recent data from Eurostat shows that headline inflation in the Euro Area continued its downward trend for the second month in a row, dropping by 0.1% to 2.2% year-on-year in March, compared to 2.3% in February. This moderation was mainly due to a sharp decline in energy prices and a notable slowdown in services inflation. Energy prices saw a significant drop, falling by 0.7% year-on-year in March, after a 0.7% increase in February, largely driven by lower electricity tariffs. Meanwhile, services inflation decelerated to 3.4% year-on-year in March, down from 3.7% in February, marking the lowest level in almost three years, which suggests weaker consumer demand. On the other hand, food inflation edged up to 2.2% year-on-year, the highest in four months, as prices of unprocessed food items rose. On a monthly basis, consumer prices increased by 0.6% in March, compared to a 0.4% rise in February.
- Ghana's inflation rate continued to ease for the third month in a row, falling to 22.40% year-on-year in March 2025, down from 23.10% in February. This moderation was largely due to lower food inflation (26.50% compared to 28.10%) and a relatively stable cedi. On a monthly basis, prices rose by just 0.20%, the slowest increase in seven months. This ongoing disinflation trend is a positive sign for policymakers, particularly following the Bank of Ghana's unexpected 100bps rate hike to 28.00% earlier in March, reinforcing its commitment to tackling inflation, which remains significantly above the target range of 6.00–10.00%.
- Kenya's headline inflation inched up to 3.60% year-on-year in March 2025, compared to 3.50% in February, reaching its highest level in six months. This increase was largely due to rising prices in key sectors, including food and non-alcoholic beverages (up by 6.60% YoY) and transport costs (up 1.50% by YoY). Core inflation also saw a slight rise, reaching 2.20% YoY in March, up from 1.90% the previous month, pointing to a gradual buildup of inflationary pressures beneath the surface. While inflation remains well within the Central Bank of Kenya's target range of 2.50% to 7.50%, the upward trend in both headline and core inflation suggests a potential shift away from the disinflationary pattern that characterized much of 2024.

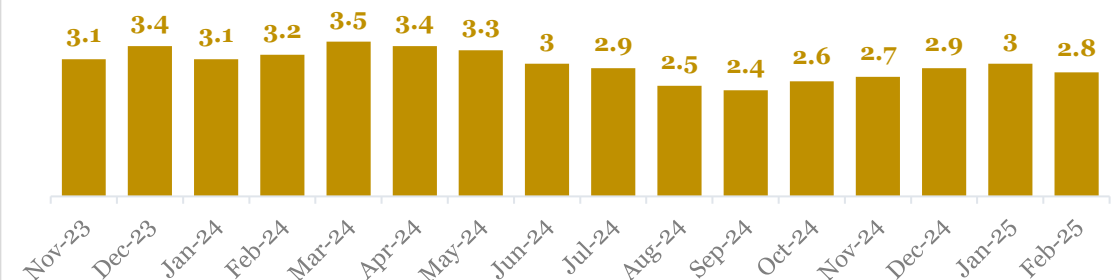
Global Economic Data

	Current	Previous	Change
US GDP	2.30% (Q4-2024)	3.10% (Q3-2024)	0.80%
US Interest Rate	4.25% - 4.50% (Mar. 2025)	4.25% - 4.50% (Jan. 2025)	0.00%
US Inflation	2.80% (Feb. 2025)	3.00% (Jan. 2025)	0.20%
China GDP	5.40% (Q4-2024)	4.60% (Q3-2024)	0.80%
China Inflation	-0.70% (Feb. 2024)	0.50% (Jan. 2024)	-1.20%

US 10 Year Bond Yields (%)

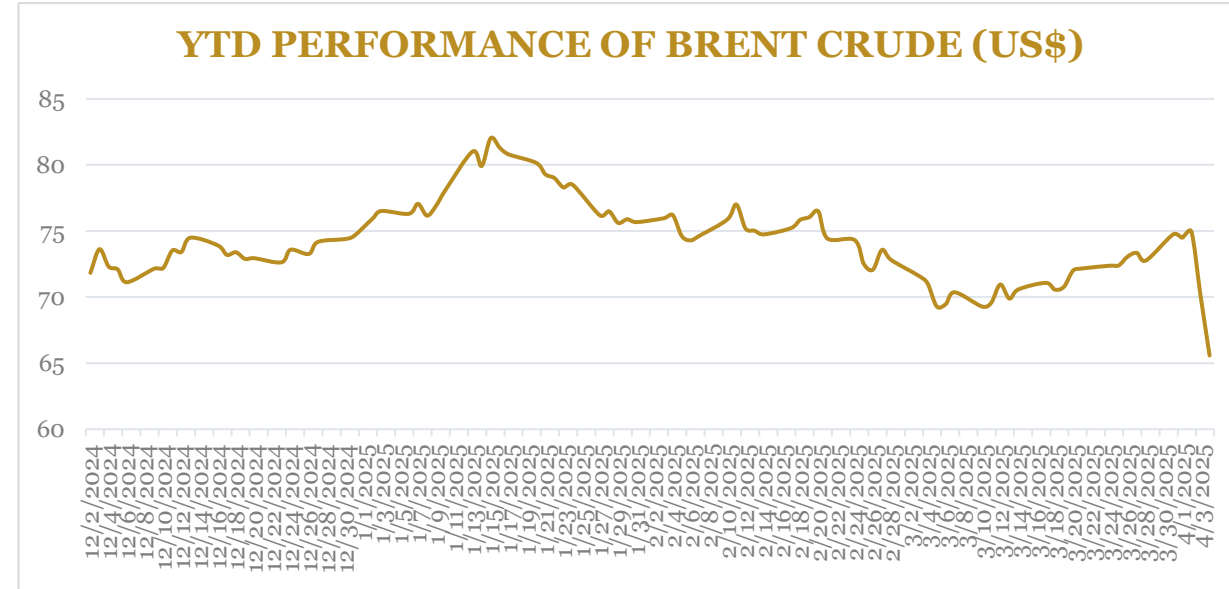


US Inflation %



Crude Oil Price Update

- Last week, crude oil prices dropped significantly, reaching their lowest level since April 2021. This decline was largely fueled by growing investor concerns over escalating trade tensions, particularly following the US administration's broad tariff impositions on imports from key trading partners and China's response with a 34% tariff on US goods. These developments have heightened uncertainty in the markets, contributing to the bearish trend.
- Thus, Brent crude prices fell by **10.93%**, closing at \$65.58 per barrel, while WTI declined by **10.63%**, settling at \$61.99 per barrel week on week.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	65.58	73.63	10.93%
WTI Crude Price (\$)	61.99	69.36	10.63%



Domestic Update

- On April 2, 2025, which President Trump designated as "US Liberation Day," a new universal 10% "minimum base tariff" was imposed on all imported goods. This move included a significant increase in tariffs on Chinese imports, which now stand at 34%, bringing the total tariff on Chinese goods in Q1 2025 to 54%. Other countries were also affected, with the UK facing a 10% tariff, the European Union 20%, Vietnam 46%, and Japan 24%. In addition, 51 African countries saw new tariffs, including a 14% levy on Nigeria, due to the country's 27% tariff on US goods. According to Nigeria's National Bureau of Statistics (NBS), the country has maintained a trade surplus with the US for the past four years (2021-2024). Analysts estimate that only 3% to 7% of Nigeria's total exports will be directly impacted by these new US tariffs, meaning the immediate disruption to Nigeria's trade dynamics is expected to be limited. However, the broader, indirect effects could be more significant, especially with global growth projections slowing and inflationary pressures rising.
- The Federal Government of Nigeria has requested a loan of USD 10.50 million from the World Bank to strengthen the Central Bank of Nigeria's (CBN) supervisory capabilities and enhance the country's domestic payment infrastructure. Currently in the concept review phase, the proposed loan aims to incorporate advanced technologies and data science into the CBN's regulatory processes, supporting Nigeria's broader efforts to modernize its financial system. The project is structured around three main objectives: boosting institutional capacity, implementing Supervisory Technology (SupTech) tools for risk-based oversight, and improving the integration of remittances into formal financial channels. If approved, the project would provide the CBN with the necessary technical expertise and digital resources to adapt to the rapidly changing financial landscape, while also improving the security, efficiency, and transparency of remittance flows. This development is expected to increase Nigeria's external debt, with the total amount of World Bank loans to the country rising to USD 17.32 billion.
- According to FMDQ data, total inflows into Nigeria's Foreign Exchange Market (NFEM) dropped by 5.5% month-on-month to USD 3.90 billion in March, down from USD 4.13 billion in February. This decline was mainly due to a 61.9% drop in foreign inflows, which fell to USD 787.20 million, the lowest in six months, due to global trade uncertainties. Notably, foreign portfolio investment (FPI) inflows decreased by 67.7%, while inflows from other corporates and foreign direct investment (FDI) increased by 89.8% and 54.2%, respectively. Meanwhile, local inflows, making up nearly 80% of total inflows, rose by 51.0% to USD 3.11 billion, driven by a sharp increase in inflows from the Central Bank of Nigeria (+204.3%), non-bank corporates (+26.7%), and exporters/importers (+21.5%). However, inflows from individuals dropped by 43.7%.

Foreign Exchange Update

- At the Nigerian Foreign Exchange Market (NFEM), the Naira traded flat at ₦1,536.89/USD on April 4th compared to ₦1,536.82/USD the preceding week. Meanwhile, in the parallel market, the local currency depreciated by 1.28% week-on-week to close at an average of ₦1,560/USD from ₦1,540/USD in the previous week.
- Meanwhile, the External reserves declined by USD173.95 million week-on-week to USD38.13 billion as of 3rd of April 2025.

Fixed Income Market

- The Nigerian Treasury bills secondary market closed bearish last week, with the average yield rising by 35bps to 21.8%. This was mainly due to selloffs by offshore investors in long-term bills, which counterbalanced the increased demand fueled by improved liquidity in the financial system. Similarly, the OMO Bills average benchmark yield increased by 92bps week-on-week to 24.26%
- Activity in the FGN bond secondary market was subdued last week, though there was a slight positive sentiment as the average yield edged down by 1 basis point to 18.7%. This was largely due to the shortened trading week and investor expectations surrounding the Q2-25 auction calendar. In general, investors have shown a stronger preference for short-term bills and bonds.

Equity Market

- The Nigerian equities market ended the holiday-shortened week on a negative note, as cautious investor sentiment dampened market activity. As a result, the NGX All-Share Index and Market Capitalization depreciated by 0.14% and 0.17% to close the week at 105,511.89 and ₦66.147 trillion, respectively.
- The market's decline was primarily driven by significant sell-offs in UACN (-18.31%), SUNUASSUR (-13.38%), UNIVINSURE (-13.33%), OANDO (-13.13%), CONHALLPLC (-12.85%), FIRSTHOLDCO (-7.64%), and FCMB (-6.70%), which overshadowed the gains seen in VFD (+20.76%), NGX (+11.90%), FIDSON (+7.76%), and TRANSCOHOT (+7.13%).
- Investor sentiment were down last week, as market breadth dropped to 0.48x from 1.07x in the previous week. Sectoral performance was also bearish with the Insurance, Oil & Gas, Consumer Goods and Industrial Goods sectors closing negative by 4.13%, 1.18%, 0.91% and 0.22%, respectively. However, the Banking sector saw a positive close of 0.22%.
- Trading activity also mirrored the broader market trend, with total volume and value traded falling by 45.97% and 28.95% week-on-week, respectively. VFDGROUP saw a gain of 20.76%, emerging as the top performer, while UACN posted a decline of 18.31%, recording the largest drop.
- We expect investors to remain cautious this week, as there are no major positive catalysts on the horizon. However, dividend declarations and upcoming earnings reports could spark some interest in bargain hunting.