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Equity Market Wrap

17 April 2025

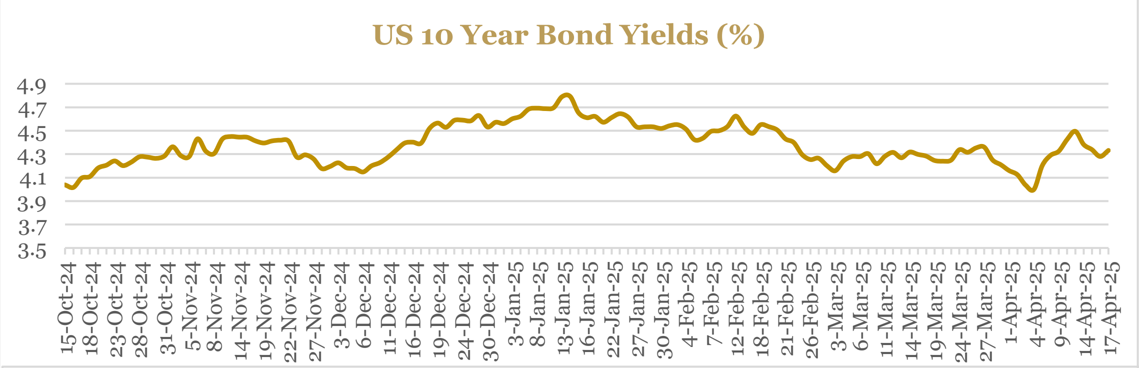
Global Update

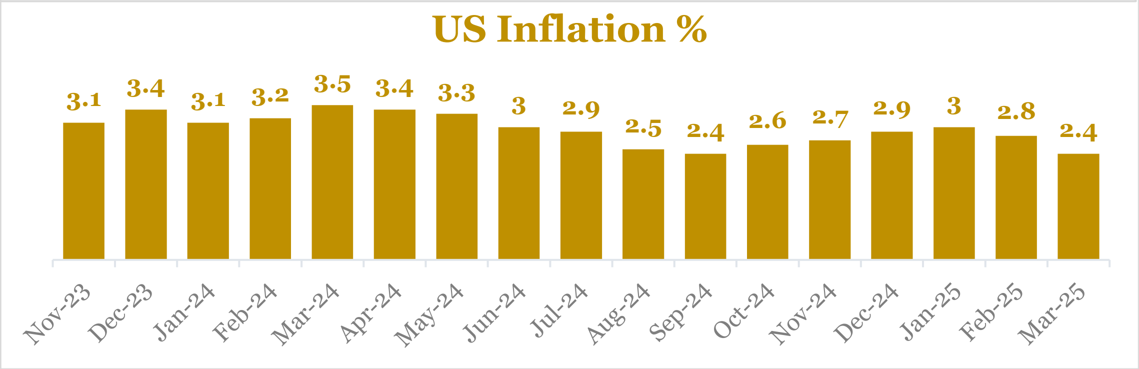
- UK inflation eased for the second straight month, slipping to 2.6% in March, down from 2.8% in February and slightly below market forecasts of 2.7%. The cooling in price growth was largely due to a drop in energy and food costs. Energy prices saw a sharper decline, falling by 8.0% year-on-year—marking a four-month low—thanks to lower petrol and diesel prices. Food inflation also moderated, falling to 3.0% from 3.3% in February, with items like confectionery and dairy seeing notable price cuts. Core inflation, which excludes more volatile items like energy and food, also dipped slightly to 3.4% in March from 3.5% the previous month. This was mainly driven by a slowdown in transport costs to 1.2% from 1.8% in February. This helped offset some upward pressure from clothing and footwear prices, which increased by 1.1% after falling 0.6% the previous month. On a monthly basis, consumer price inflation slowed to 0.3% in March, easing from 0.4% in February.

- China's economy got off to a stronger-than-expected start in Q1 2025, expanding by 5.4% year-on-year and 1.2% quarter-on-quarter, according to figures released by the National Bureau of Statistics. This solid performance was largely driven by a mix of government-backed consumer subsidies and a surge in exports, as companies rushed to ship goods ahead of anticipated tariffs. Fixed-asset investment climbed by 4.2% during the period, while property investment continued to slump, falling sharply by 9.9%. On the labor front, the urban unemployment rate edged down slightly to 5.2% in March, from 5.4% in February. With global trade headwinds persisting and domestic demand showing only modest strength, there's growing expectation that authorities will roll out more active and targeted policy measures to support the economy moving forward.

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	**2.40%** (Mar. 2025)	**2.80%** (Feb. 2025)	0.40%
China GDP	**5.40%** (Q1-2025)	**5.40%** (Q4-2024)	0.00%
China Inflation	**-0.10%** (Mar. 2024)	**-0.70%** (Feb. 2024)	0.60%



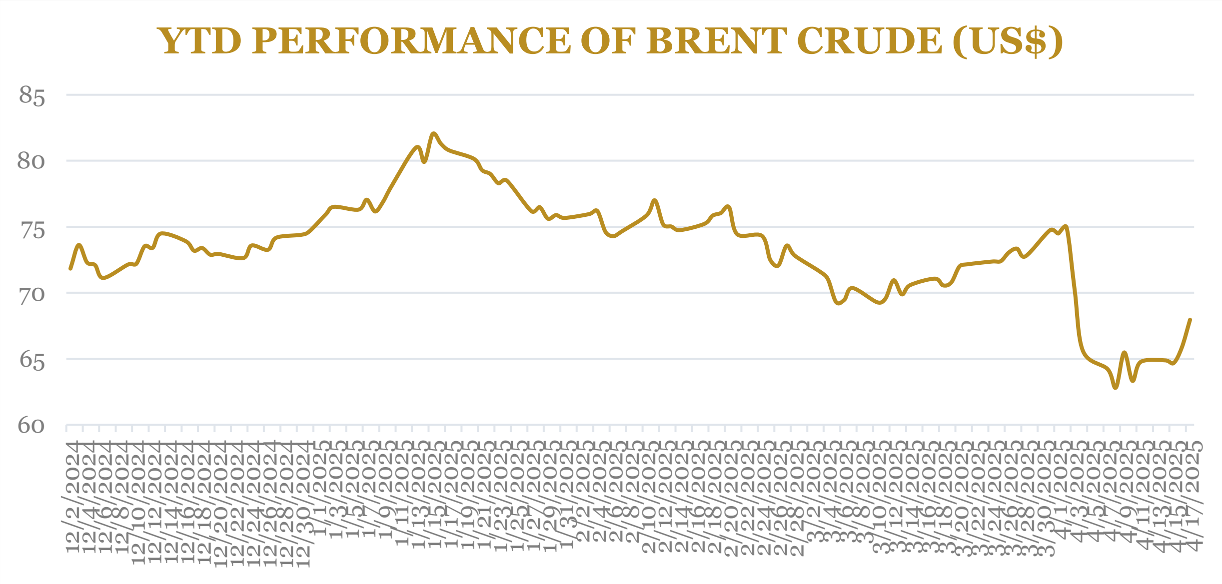


Crude Oil Price Update

- Oil prices swung sharply last week, starting with a steep decline as tensions between the US and China intensified. China's decision to cut back on US crude imports, along with mounting fears of a global economic slowdown, weighed heavily on market sentiment and demand expectations.

- However, later in the week, the market reversed course with prices surging more than 4% w-o-w on Thursday. This was supported by renewed optimism over a potential US-EU trade agreement and the announcement of fresh US sanctions targeting Iranian oil exports—raising fresh concerns about supply disruptions. Oil prices were further supported by unexpectedly strong Chinese import figures and optimism around continued economic momentum. This rally came despite a surprise increase in US crude stockpiles, which had briefly dampened outlooks.

- On a week-on-week basis, Brent crude prices improved by 4.94%, closing at $67.96 per barrel, while WTI appreciated by 5.17%, settling at $64.68 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil($)	67.96	64.76	4.94%
WTI Crude Price ($)	64.68	61.50	5.17%

Domestic Update

- Nigeria’s inflation rate increased in March 2025, climbing to 24.23% (year-on-year), up from 23.18% in February. While prices of some staple food items eased slightly, the relief was overshadowed by a sharp increase in core inflation due to the pass-through effect of higher PMS costs on transport and logistics costs, coupled with the depreciation of the Naira. Notably, PMS price rose by over 30% in the last year while the Naira weakened by almost 14% in the parallel market.

- Dangote Refinery announced another round of price cuts for refined petroleum products this week. The pump price of Premium Motor Spirit (PMS) has been adjusted downward to ₦835 per litre from ₦865, following a similar reduction from ₦880 the previous week. The reduction in the drop of PMS price is expected to ease the financial strain on consumers.

Foreign Exchange Update

- The naira broke its recent losing streak last week, strengthening slightly against the US dollar. It appreciated by 0.24% to close at ₦1,599.94 per dollar at the Nigerian Autonomous Foreign Exchange Market (NAFEM), up from ₦1,603.78 the previous week.

- Nigeria’s foreign exchange reserves extended its decline for the fifth consecutive week, dropping by $111.21 million to $37.89 billion as of April 16.

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Fixed Income Market

- Last week, the Nigerian Treasury bills market saw a positive turnaround, as investor sentiment improved despite the uptick in March inflation. Mild buying interest returned, leading to a bullish close, with the average benchmark yield falling by 28 basis points to 20.70% week-on-week. The OMO bills market followed suit, with the average benchmark yield declining to 28.53% on Friday, down from 29.48% the previous week.

- The bond market saw mixed activity last week, though overall sentiment leaned slightly bullish. Yields at the short end of the curve declined by 29 basis points week-on-week, largely driven by strong demand for the JAN-2026 and MAR-2026 instruments, which saw significant yield drops of 68bps and 105bps, respectively. In the mid-segment, average yields held steady as selling pressure in bonds like APR-2029 (+35bps), JAN-2035 (+5bps), and APR-2032 (+1bp) was balanced by renewed buying interest in issues such as MAY-2033 (-17bps), FEB-2031 (-12bps), JUL-2030 (-8bps), and NOV-2029 (-3bps). Activity at the long end of the curve remained relatively muted throughout the week. Overall, the average bond yield edged down by 6 basis points to 19.00%, compared to 19.06% the week before.

Equity Market

- Ahead of the Easter holiday and in response to the unexpected reversal in the inflation trend reflected in the March CPI data, the Nigerian equities market experienced sectoral rotation and profit-taking, which led the overall market to close in negative territory last week. As a result, the NGX All-Share Index and Market Capitalization depreciated by 0.32% to close the week at 104,233.81 and ₦65.499 trillion respectively.

- The decline in the market was led by profit-taking activity in GTCO (-13.24%), ZENITH (-11.91%), IMG (-10.00%), NNFM (-9.97%), and UBA (-9.07%). On the other hand, the top performers were NB (+13.13%), UNILEVER (+9.65%), VFD (+9.46%), ACCESSCORP (+8.07%), MTNN (+2.98%), and OANDO (+0.56%).

- Despite the overall weak market sentiment, market breadth improved significantly, rising by 61.89% week-on-week to 0.74x, up from 0.46x in the previous week. Sectoral performance was mixed, with the Consumer Goods and Oil & Gas sectors closing positive, up by 2.33% and 0.20%, respectively. The Industrial Goods sector remained flat, while the Banking and Insurance sectors declined by 5.43% and 2.34%, respectively.

- Trading activity also declined, with total volume and value traded dropping by 27.22% and 18.92% week-on-week, respectively. ABBEYBDS led the gainers' chart with a weekly increase of 46.17%, while GTCO recorded the biggest loss, falling by 13.24%.

- This week, we anticipate that overall market sentiment will remain cautious, largely influenced by ongoing uncertainties in the global economy, especially concerns around trade tensions and their possible effect on investor risk appetite. In addition, the start of the Q1 2025 earnings season could trigger some selective buying as investors look for value opportunities.