



PARTHIAN
SECURITIES

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Equity Market Wrap

02 May 2025

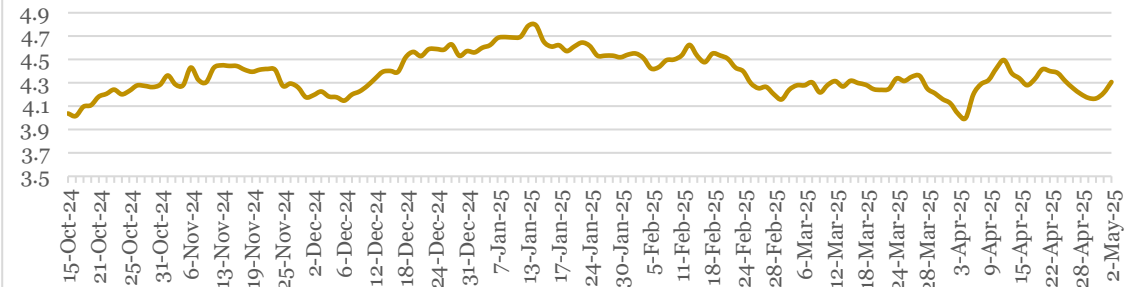
Global Update

- The U.S. economy contracted at an annualized rate of 0.3% in Q1 2025, marking its first decline in three years and a sharp turnaround from the growth seen in late 2024. The slowdown was driven largely by a 41.3% surge in imports, as businesses and consumers accelerated purchases ahead of expected tariff hikes under Trump-era policies. Consumer spending also lost steam, rising just by 1.8%—its slowest pace since mid-2023, while federal government spending dropped by 5.1%, the steepest cut since early 2022 amid ongoing fiscal consolidation. Although business investment in equipment and inventories jumped by 22.5%, it wasn't enough to offset the drag from weaker net exports.
- The Eurozone economy grew by 0.4% quarter-on-quarter in Q1 2025, beating expectations and picking up pace from the 0.2% expansion recorded in Q4 2024. This improvement was supported by solid domestic demand, moderating inflation, and falling borrowing costs across the region. Ireland posted the strongest performance, with GDP surging by 3.2%, followed by Spain with a 0.6% increase. Germany, the Eurozone's largest economy, managed to return to growth with a modest 0.2% rise, while France saw a slight 0.1% gain over the quarter. However, the outlook remains clouded by ongoing global trade tensions, particularly the impact of recent 20% U.S. tariffs, which could weigh on investment activity and squeeze corporate profitability, potentially slowing momentum in the quarters ahead.
- China's manufacturing activity continued to lose momentum in April, with the Purchasing Managers' Index (PMI) falling to 49.0 points, its lowest reading since December 2023, down from 50.5 points in the previous month. The decline was largely driven by weaker export demand and reduced factory output, as U.S. tariffs of up to 145% began to take a heavier toll. Export orders dropped sharply to 44.7 points, marking their lowest level since the disruptions experienced during the COVID-19 pandemic, while cargo shipments reportedly fell by 60%. New orders also declined, reaching 49.2 points, and the non-manufacturing PMI slipped to 50.4 points, signaling a broader slowdown in the services sector. In response, Chinese authorities introduced targeted lending measures and quietly exempted key American imports, such as semiconductors and ethane, from retaliatory tariffs of up to 125% in an effort to support strategic industries and cushion the economic impact.

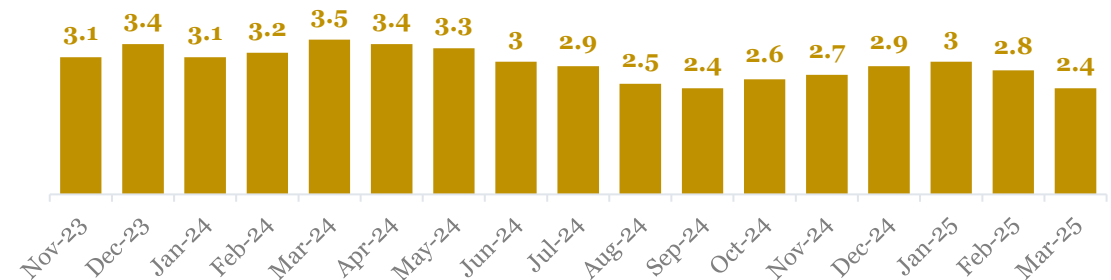
Global Economic Data

	Current	Previous	Change
US GDP	2.00% (Q1-2025)	2.40% (Q4-2024)	0.40%
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%

US 10 Year Bond Yields (%)

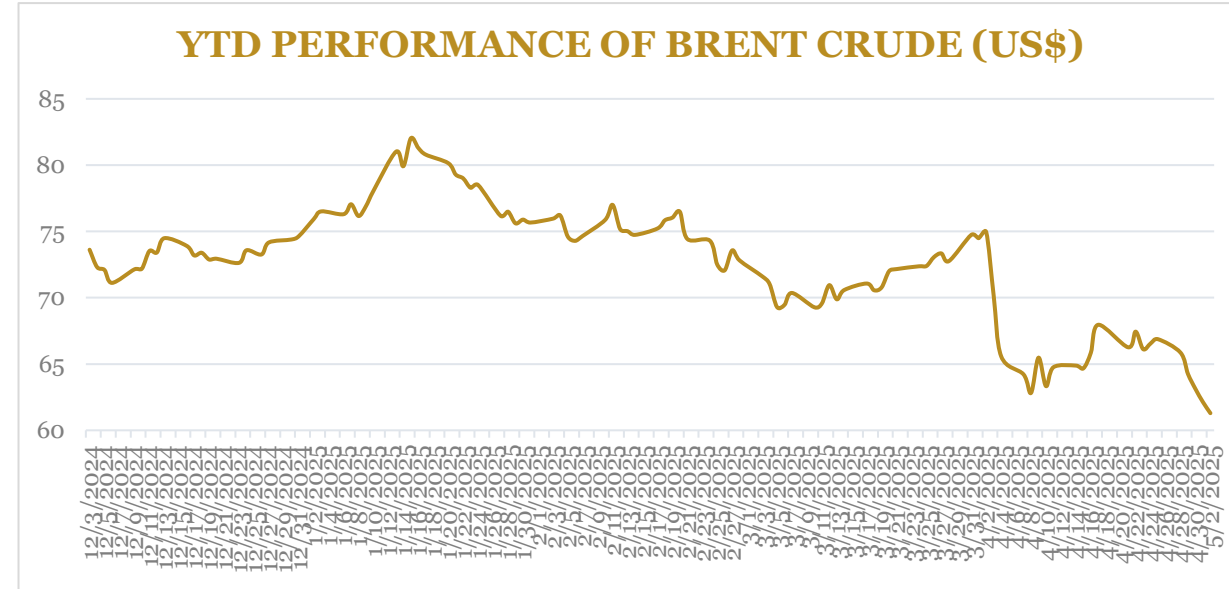


US Inflation %



Crude Oil Price Update

- Oil prices experienced a notable drop last week, largely driven by increased production from non-OPEC countries. Market sentiment turned more negative after signals from Saudi Arabia hinted at a possible pivot away from price support, with officials suggesting a renewed focus on boosting output to maintain market share.
- On a week-on-week basis, Brent crude prices declined by **8.34%**, closing at \$61.29 per barrel, while WTI depreciated by **7.51%**, settling at \$58.29 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	61.29	66.87	8.34%
WTI Crude Price (\$)	58.29	63.02	7.51%

Domestic Update

- Nigeria's non-oil exports saw a strong upswing in the first quarter of 2025, with the Nigerian Export Promotion Council (NEPC) reporting a 24.75% year-on-year increase to \$1.79 billion, up from \$1.44 billion in the same period last year. The growth was largely fueled by a sharp rise in export volumes, which surged by 243.44% to 2.41 million metric tonnes, compared to 1.93 million metric tonnes in Q1 2024. Exports to ECOWAS countries accounted for \$63.06 million, or 3.52% of the total, while shipments to other African nations outside ECOWAS totaled \$32.73 million, representing 1.83%. The range of exported products expanded from 162 to 197, covering a mix of agricultural produce, semi-processed goods, manufactured items, and industrial raw materials. Top-performing exports included cocoa and related products (45.02%), urea and fertilizer (19.32%), and cashew nuts (5.81%). This strong performance highlights progress in diversifying Nigeria's export base, a trend that could enhance foreign exchange earnings, strengthen GDP growth, boost intra-African trade, and attract new investment as the country works to reduce its reliance on oil and narrow its trade deficit.
- Data from FMDQ shows that total inflows into the Nigerian Foreign Exchange Market (NFEM) fell by 5.7% month-on-month to \$3.67 billion in April, down from \$3.90 billion recorded in March. The decline was primarily due to a sharp drop in foreign inflows, which made up 17.9% of total inflows and fell by 16.5% month-on-month to \$657.4 million—the lowest level in seven months. Breaking down the figures, the reduction in foreign inflows was driven by significant declines in contributions from foreign portfolio investors (down 15.7%) and other corporate sources (down 40.5%). However, foreign direct investment showed a notable rebound, rising by 112.7% month-on-month. Domestic inflows, which accounted for the bulk of total market activity at 82.1%, also dipped slightly by 2.9% to \$3.02 billion, compared to \$3.11 billion in March. The moderation was largely attributed to weaker contributions from exporters and importers (down 23.9%) and non-bank corporates (down 23.3%). On the upside, inflows from individuals surged by 125.4%, while the Central Bank of Nigeria increased its inflows by 43.8% over the same period.

Foreign Exchange Update

- The naira gained 0.4% against the U.S. dollar last week, closing at ₦1,589.00/\$, with support from the Central Bank of Nigeria's intervention estimated at approximately \$116.2 million.
- After six straight weeks of decline, Nigeria's gross foreign exchange reserves saw a modest rebound, rising by \$135.96 million week-on-week to reach \$37.93 billion as of April 30.

Fixed Income Market

- The Treasury bills secondary market saw strong buying interest last week, supported by ample system liquidity. As a result, the average yield across the market fell by 14 basis points to 23.7%. Within the segments, yields in the OMO market declined by 11 basis points to 27.0%, while the NTB segment saw a contrasting move, with average yields rising by 25 basis points to 21.1%.
- Last Tuesday, April 29, the Central Bank of Nigeria (CBN) conducted an OMO auction, offering a total of ₦500 billion in instruments—₦250 billion each for the 329-day and 350-day tenors. The auction saw strong demand, with total subscriptions reaching ₦1.06 trillion. In the end, the CBN allocated ₦804.85 billion, distributing ₦106.25 billion for the 329-day bills and ₦698.60 billion for the 350-day bills.
- The FGN bond secondary market saw a bearish trend as investors offloaded short-term bonds, reflecting a growing cautious sentiment toward duration exposure. As a result, the average yield increased by 2 basis points, reaching 19.0%. At Monday's Primary Market Auction (PMA), the Debt Management Office (DMO) offered ₦350 billion in bonds through re-openings of the 19.30% FGN APR 2029 and 18.50% FGN MAY 2033 bonds. Total subscriptions amounted to ₦495.95 billion, down from ₦530.31 billion in the previous auction. In the end, the DMO allotted ₦397.89 billion across both tenors, with ₦123.00 billion allocated through non-competitive bids.

Equity Market

- The Nigerian equities market continued its upward momentum last week, driven by strong investor sentiment, ongoing dividend announcements, and robust Q1 2025 earnings reports. The NGX All-Share Index and Market Capitalization appreciated by 0.27% and 0.28% to close the week at 106,042.57 points and ₦66.648 trillion respectively.
- The market last week was marked by strong performances from select stocks, led by NAHCO with a 20.17% surge, followed by NB with a 17.95% gain, while INTBREW rose 14.29%, and MTNN edged up by 4.08%. These advances helped cushion the impact of notable declines in other counters such as ETI (-18.75%), ARADEL (-9.86%), DANGSUGAR (-9.21%), and ACCESSCORP (-7.98%).
- Market activity eased slightly during the week, with a 2.70% decline in total trading volume, suggesting a dip in overall transaction count. Despite this, the value of trades surged by 21.28% on a week-on-week basis, pointing to a shift toward higher value deals. Sector performance was mixed, as the Consumer Goods and Industrial Goods sectors posted gains of 2.89% and 0.41% respectively, while the Oil and Gas, Insurance, and Banking sectors ended the week in the red, shedding 2.90%, 2.89%, and 0.38%, respectively.
- This week, market activity is likely to be shaped by the release of more corporate earnings results and investor expectations surrounding the upcoming MPC meeting scheduled for later in the month.