



PARTHIAN
SECURITIES

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Equity Market Wrap

09 May 2025

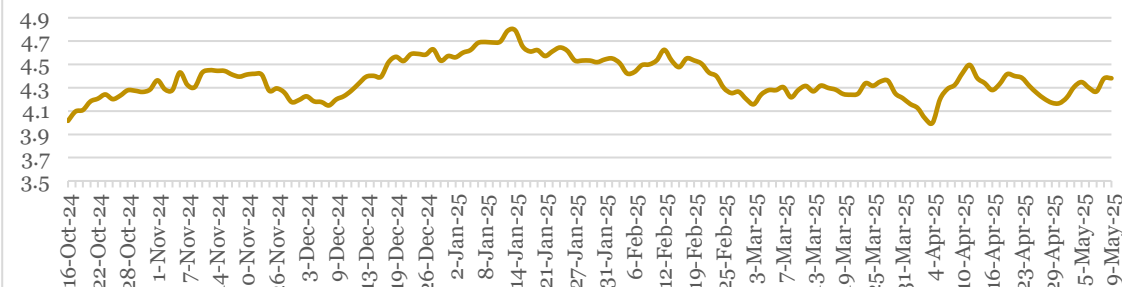
Global Update

- At its May 2025 meeting, the U.S. Federal Reserve opted to keep interest rates unchanged at 4.25%–4.50% for the third consecutive time, reflecting ongoing uncertainty surrounding inflation and the broader economic outlook. The decision was shaped by growing trade tensions and concerns over the economic implications of newly announced tariffs. These developments followed a 0.30% year-over-year decline in economic output for Q1 2025, largely driven by a sharp rise in imports as businesses and consumers accelerated purchases ahead of anticipated price hikes.
- At the same time, the Bank of England’s Monetary Policy Committee opted for a modest 25 basis points rate cut in May 2025, bringing the benchmark interest rate down to 4.25% from 4.50%. The decision highlights growing concerns over weakening economic momentum, with slower global growth and the expected impact of new import tariffs cited as key headwinds. While the UK economy has shown some underlying strength and wage growth has slowed, there remains disagreement within the committee about the inflation outlook. The Bank emphasized that its approach to rate changes will remain flexible and data-driven moving forward.
- OPEC+ has revealed plans to raise oil production for the second month in a row, targeting an increase of 411,000 barrels per day in June 2025. This move comes even as oil prices dip and demand projections soften. The production boost is part of a gradual easing of the 2.2 million barrels per day in voluntary output cuts first implemented in 2022. In line with this plan, eight member nations will ramp up their output in June, using May levels as a reference point.

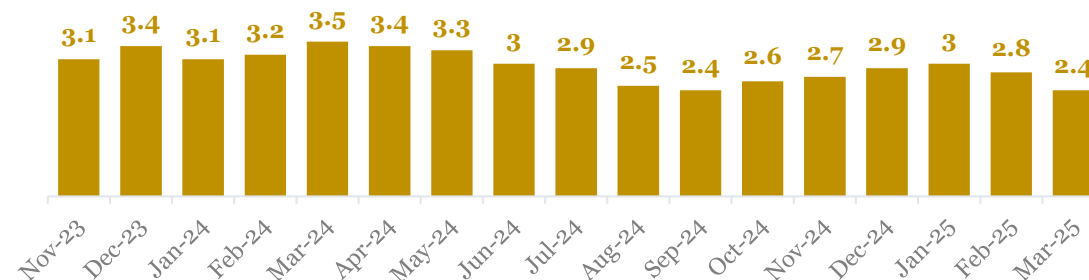
Global Economic Data

	Current	Previous	Change
US GDP	2.00% (Q1-2025)	2.40% (Q4-2024)	0.40%
US Interest Rate	4.25% - 4.50% (May, 2025)	4.25% - 4.50% (Mar, 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 (%)

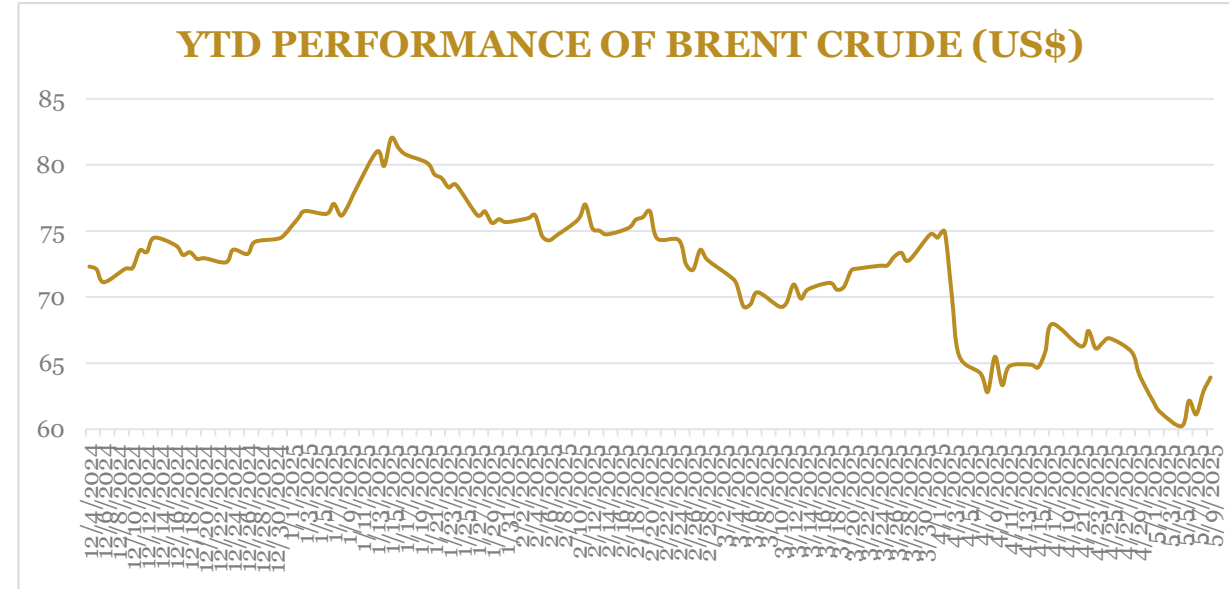


US Inflation %



Crude Oil Price Update

- Oil prices rebounded last week, supported by renewed hopes for progress in U.S.-China trade negotiations and an unexpected drop in U.S. crude stockpiles. However, the upward momentum was limited by expectations of higher output from OPEC+ in the coming months.
- On a week-on-week basis, Brent crude prices improved by **4.27%**, closing at \$63.91 per barrel, while WTI increased by **4.68%**, settling at \$61.02 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	63.91	61.29	4.27%
WTI Crude Price (\$)	61.02	58.29	4.68%



Domestic Update

- Last week, the Nigerian Senate approved four major tax reform bills aimed at improving tax administration, simplifying compliance, and increasing revenue. The bills—the Nigeria Revenue Service Bill, Nigeria Tax Administration Bill, Nigeria Tax Bill 2024, and Joint Revenue Board Bill—propose a centralized tax authority, harmonized tax rules across government levels, and consolidated legislation. A new Joint Revenue Board will oversee coordination between federal and state tax bodies.
- Notably, VAT rate was left unchanged at 7.5%, as against the proposed increase to 10%. However, there was a revision in the VAT sharing formula. Now based on the place of consumption, the Federal Government will receive 10% (down from 15%), States will get 55% (up from 50%), while Local Governments will receive 35% (unchanged). The reform also introduces stricter penalties for non-compliance, including fines and up to three years' imprisonment for serious offences. The bills now await harmonization by a joint Senate and House committee before heading to the President for assent.
- Nigeria has successfully repaid the USD 3.40 billion loan it received from the International Monetary Fund (IMF) during the COVID-19 pandemic, officially clearing the country from the IMF's debtor list. The loan, granted in April 2020, was part of emergency support to mitigate the economic impact of the crisis, stabilize the economy, and assist businesses during that period. While some interest payments on the loan are still due, the full repayment highlights Nigeria's dedication to managing its external debt and reducing the cost of servicing foreign loans.

Foreign Exchange Update

- The naira weakened by 1.3% week-on-week, closing at ₦1,610.50/\$ last week, despite the Central Bank of Nigeria's intervention, which saw the sale of approximately 200 million dollars to the market.
- In contrast, Nigeria's foreign exchange reserves rose for the second week in a row, climbing by USD 86.67 million to reach USD 38.10 billion as of May 6.

Fixed Income Market

- The Treasury bills secondary market saw a bullish tone last week, as investors sought to cover unmet demand from the NTB primary market auction. This strong interest led to a drop in average yields by 18 basis points to 23.5%. At the auction held on Wednesday, the CBN offered ₦550 billion across the 91-day (₦50 billion), 182-day (₦100 billion), and 364-day (₦400 billion) tenors. Total subscriptions stood at ₦1.09 trillion, lower than the ₦1.54 trillion recorded previously. The CBN ultimately allotted ₦598.33 billion, with stop rates unchanged at 18.00% and 18.50% for the shorter maturities, and slightly higher at 19.63% (from 19.60%) for the 364-day.
- In addition, the CBN conducted an Open Market Operation (OMO) auction on Tuesday, May 6, offering ₦500 billion in 315-day and 329-day bills. It received ₦773.74 billion in bids and allotted ₦756.74 billion, dominated by the 329-day instrument.
- On the other hand, the FGN bond secondary market saw a mild bearish shift last week, largely influenced by heightened demand for bonds with medium-term maturities. This led to a modest increase in average yields, which rose by 2 basis points to 19.1%.

Equity Market

- Despite a bout of profit-taking last Friday that briefly interrupted the market's upward momentum, the Nigerian equities market closed the week in positive territory. Investor sentiment remained strong, supported by the solid first-quarter 2025 earnings, which helped sustain overall market gains. As a result, the NGX All-Share Index and Market Capitalization appreciated by 2.54% to close the week at 108,733.40 points and ₦68.339 trillion respectively.
- The positive sentiment seen in the market was led by standout performances from BETAGLASS (+46.31%), SAHCO (+30.11%), CADBURY (+22.26%), NNIG (+20.67%), INTBREW (+13.13%), ARADEL (+12.28%), MTNN (+11.73%), and GTCO (+7.89%). These advances outweighed losses in a few key names, including VFD Group (-10.61%), TRANSPOWER (-9.98%), TRANSCORP (-7.69%), and UCAP (-6.58%), helping to keep the overall market in positive territory.
- Market activity saw a decline, with average volume and value traded dropping by 3.5% and 18.0%, respectively, to 529.10 million units and ₦15.35 billion. The most actively traded stocks by volume were GTCO (270.20 million units), ACCESSCORP (233.80 million units), and FIRSTHOLDCO (144.71 million units). In terms of value traded, GTCO led with ₦17.70 billion, followed by ACCESSCORP with ₦5.00 billion, and ARADEL, also with ₦5.00 billion.
- Sector performance was bullish with the Consumer Goods, Oil & Gas, Banking, Industrial Goods and Insurance sectors all closing positive by 5.41%, 3.98%, 3.09%, 1.09% and 0.99%, respectively.
- This week, we expect a mixed trading environment, with investors likely to focus on selective stock picking while engaging in profit-taking from the recent rally. The lack of major positive catalysts to maintain the current momentum may prompt a more cautious approach as investors look to secure gains.