PARTHIAN
SECURITIES

A Trading License Holder of the Nigerian Exchange Limited

Equity Market Wrap

16 May 2025

Global Update

- U.S. inflation slowed for the third straight month in April, with the annual rate easing to 2.3%, the lowest since February 2021. The decline was mainly driven by falling energy prices, particularly gasoline and fuel oil. Transportation and food inflation also moderated slightly. On a monthly basis, overall prices rose by 0.2%, while core inflation remained unchanged at 2.8%

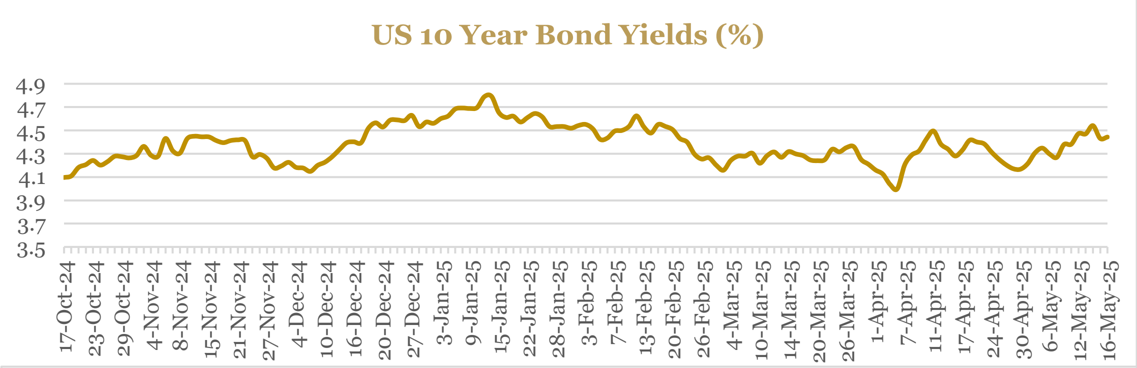
- The UK economy grew by 0.7% in Q1 2025, its fastest pace in three quarters. This was driven by a rebound in business investment and modest growth in household spending. However, government spending declined slightly, and annual growth slowed to 1.3% from 1.5% due to weak net trade and the lingering effects of previous interest rate hikes.

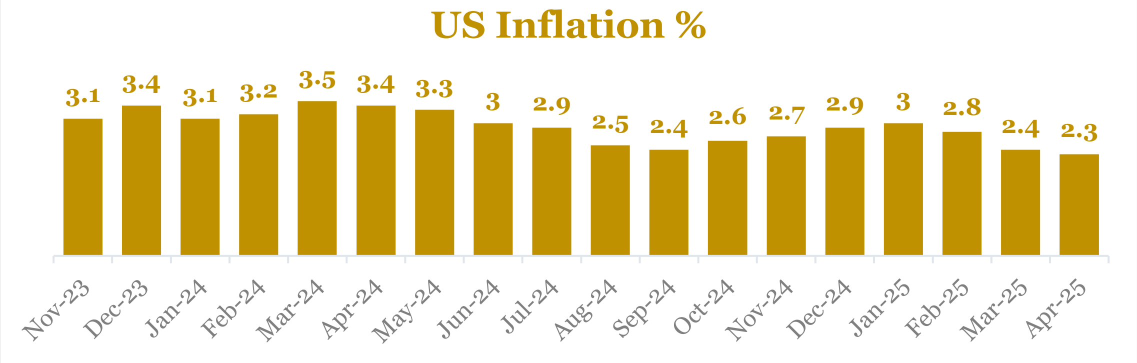
- Recent figures from Eurostat indicate that the Eurozone economy maintained its growth momentum in Q1 2025, expanding by 0.3% quarter-on-quarter and 1.2% year-on-year. This marks the fifth consecutive quarter of positive growth, although the pace remains moderate due to subdued domestic demand and emerging external pressures. The broader European Union recorded an identical quarterly growth rate, with a slightly stronger annual increase of 1.4%.Performance across member states was uneven. Germany returned to growth with a 0.2% quarterly expansion, reversing the previous quarter's contraction and supported by fiscal policy adjustments. Ireland stood out as the region's top performer, posting a strong 3.2% increase in output. In contrast, Slovenia's economy contracted by 0.8%, reflecting localised challenges. Labour market conditions remained resilient across the Eurozone, with employment rising by 0.3% quarter-on-quarter and 0.8% year-on-year, underscoring ongoing strength in job creation despite a mixed economic backdrop.

- Japan's economy recorded a 0.7% year-on-year contraction in Q1 2025, its first annual decline in a year. On a quarterly basis, GDP fell by 0.2%, weighed down by subdued consumer spending and a negative contribution from trade. Household consumption, which makes up more than half of economic activity, was flat during the quarter, while external trade posed a significant drag. Imports rose by 2.9%, outpacing a 0.6% decline in exports, even before the full effects of recent U.S. tariff increases were reflected.

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	**2.30%** (Apr. 2025)	**2.40%** (Mar. 2025)	0.10%
China GDP	**5.40%** (Q1-2025)	**5.40%** (Q4-2024)	0.00%
China Inflation	**-0.10%** (Mar. 2024)	**-0.70%** (Feb. 2024)	0.60%

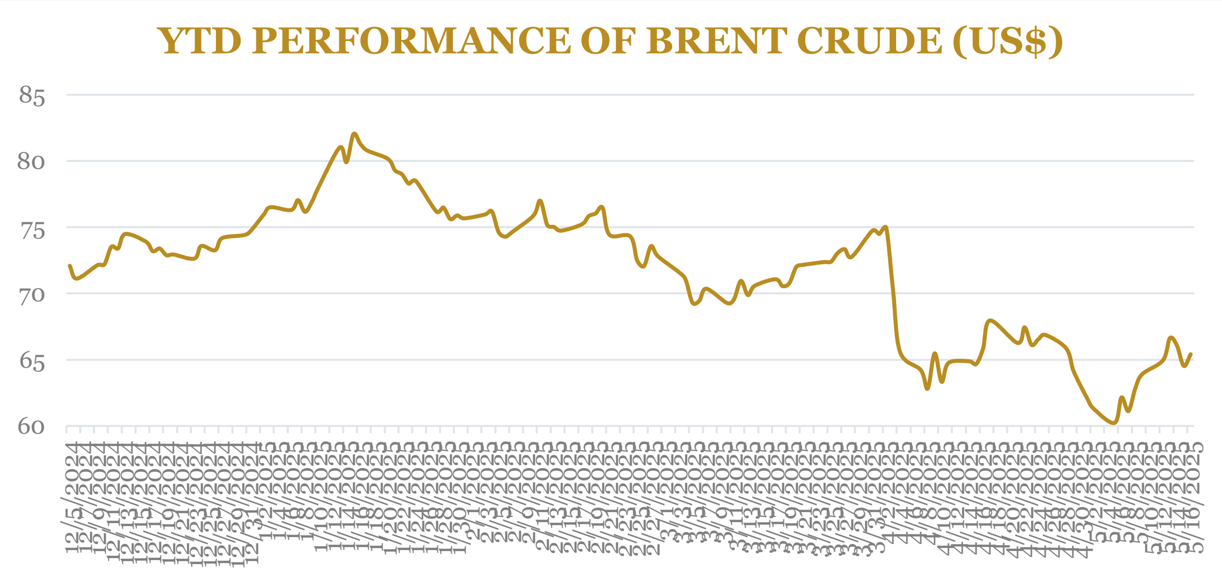




Crude Oil Price Update

- Oil prices recorded gains last week, supported by the positive development in U.S.-China trade talks and a sharper-than-expected decline in U.S. crude stockpiles. However, the rally was capped by market caution over upcoming production increases from OPEC+.

- On a week-on-week basis, Brent crude prices improved by 2.35%, closing at $65.41 per barrel, while WTI also increased by 2.41%, settling at $62.49 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil($)	65.41	63.91	2.35%
WTI Crude Price ($)	62.49	61.02	2.41%

Domestic Update

- Nigeria's headline inflation eased to 23.71% in April 2025, down from 24.23% in March, driven by a continued decline in food and core inflation. Food inflation dropped to 21.26% year-on-year, helped by falling prices of staples like rice and maize, while core inflation dipped to 23.39%, reflecting lower costs in transport, healthcare, and clothing. Monthly inflation also slowed to 1.86%, down from 3.02% in March, with food and core components moderating despite seasonal demand and celebrations. Notwithstanding the decline in inflation, we expect the MPC to maintain status quo at its meeting this week.

- The Central Bank of Nigeria (CBN), in collaboration with the Nigeria Inter-Bank Settlement System (NIBSS), has introduced the Non-Resident Bank Verification Number (NRBVN) platform. This initiative is part of the CBN's broader strategy to enhance financial inclusion and strengthen engagement with the Nigerian diaspora. The launch follows a notable rise in formal remittance inflows, which reached USD 4.73 billion in 2024, up from USD 3.30 billion in 2023—an increase largely driven by the liberalization of the foreign exchange market. With the NRBVN platform, the CBN aims to attract monthly remittance inflows of up to USD 1 billion, reduce transaction costs, and encourage greater diaspora-led investment. Over the medium term, this platform is expected to boost remittance flows and contribute to broader economic stability.

- Access Holdings Plc has announced a strategic shift, opting to pause further expansion in the near term to focus on integrating its recent acquisitions. This decision comes after a series of major deals in 2024, including the acquisition of African Banking Corporation of Tanzania, AfrAsia Bank (Mauritius), and Standard Chartered's operations in Angola and Sierra Leone. However, the group is in the process of acquiring Bidvest Bank in South Africa and the National Bank of Kenya, with both transactions currently undergoing regulatory review. This deliberate pause marks a recalibration aimed at unlocking operational synergies, enhancing efficiency, and maximizing value from its recent investments.

Foreign Exchange Update

- At the Nigerian Foreign Exchange Market (NFEM), the Naira strengthened by 0.72% to close at ₦1,599.01/USD on May 16th compared to ₦1,610.50/USD the preceding week. However, the currency closed flat at ₦1,620.00/USD in the parallel market.

- Similarly, Gross foreign exchange reserves rose for the third straight week, increasing by USD 174.34 million week-on-week to reach USD 38.30 billion as of May 14.

Fixed Income Market

- Activity in the Treasury bills secondary market was mixed last week, shaped by two key trends: stronger demand for Nigerian Treasury Bills (NTBs) from local investors and increased sell-offs of OMO instruments by foreign participants amid oil price volatility. As a result, the overall average yield across instruments rose by 23 basis points to 23.7%.

- Meanwhile, the FGN bond secondary market was relatively calm last week, though a mild bullish sentiment persisted as investors reinvested coupon inflows. This led to a 4 basis point drop in the average yield, settling at 19.0%. Along the benchmark curve, yields inched up by 1 basis point at the short end, largely due to selling pressure on the MAR-2027 bond, which rose by 9bps. In contrast, the mid and long ends saw declines of 12bps and 5bps, respectively, driven by renewed interest in the JUL-2034 and APR-2037 bonds, which saw yield drops of 27bps and 20bps.

Equity Market

- The Nigerian equities market sustained its upward momentum last week, closing on a positive note after four consecutive days of gains. The positive trend was driven by sustained investor confidence, strong sectoral performance, and positive market sentiment. As a result, the NGX All-Share Index and Market Capitalization rose by 0.90%, ending the week at 109,710.37 points and ₦68.953 trillion, respectively.

- The top performers last week included BETAGLASS (+46.31%), NNFM (+32.49%), HONYFLOUR (+24.32%), OANDO (+20.65%), NB (+12.94%), CHELLARAMS (+10.40%), and ACCESSCORP (+10.33%). Conversely, the largest declines were seen in MULTIVERSE (-19.50%), NAHCO (-9.64%), DANGSUGAR (-4.76%), and FIRSTHOLDCO (-2.73%).

- Conversely, trading volume rose by 3.8% week-on-week, while trading value decreased by 12.5% week-on-week. The most actively traded stocks by volume were FCMB (285.2 million units), TANTALIZER (42.0 million units), and ACCESSCORP (128.6 million units). In terms of value, the top traded stocks were MTNN (N13.5 billion), GTCO (N6.5 billion), and ZENITHBANK (N4.7 billion).

- Sector performance was bullish with the Consumer Goods, Insurance, Banking, Oil & Gas, and Industrial Goods sectors all closing positive by 4.08%, 2.47%, 1.19%, 0.66% and 0.13%, respectively.

- This week, market sentiment is expected to be largely driven by the Central Bank of Nigeria's monetary policy decision, with cautious trading anticipated as investors assess the broader macroeconomic landscape. However, sustained bargain-hunting remains a possibility, particularly in Consumer Goods stocks, as investor risk appetite gradually strengthens amid easing global trade tensions.