



PARTHIAN  
SECURITIES

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# Equity Market Wrap

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23 May 2025

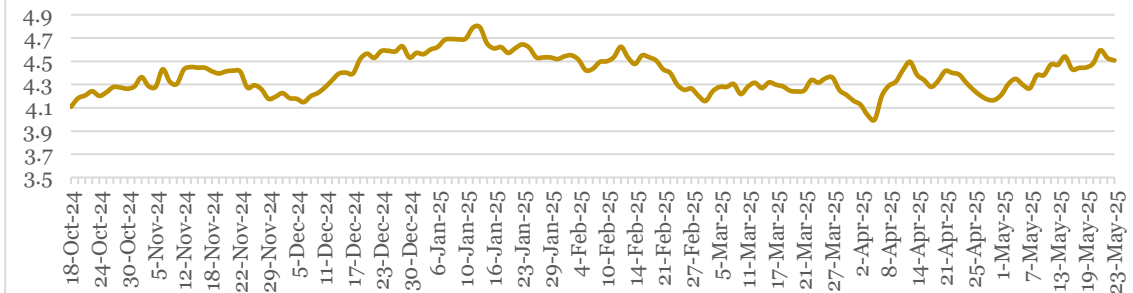
# Global Update

- UK inflation rose to 3.5% in April 2025, up from 2.6% in March, reaching its highest level since January 2024. The increase surpassed forecasts of approximately 3.3%. The surge was primarily driven by rising household costs, with rent and energy bills playing a significant role. This followed adjustments to the energy price cap, which led to a rebound in utility prices. Further pressure came from higher petrol prices and a seasonal rise in airfares.
- Last week, the People's Bank of China lowered its key lending rates for the first time since October 2024, when the five-year Loan Prime Rate was reduced from 3.85% to 3.60%. In the latest move to stimulate the economy, the central bank cut the one-year LPR by 10 basis points to 3.00% and brought the five-year rate down further to 3.50%. The rate cuts are part of a broader strategy to bolster economic activity in the face of slowing growth and rising trade tensions with the United States.
- On May 23, 2025, President Donald Trump threatened to impose a 25% tariff on Apple iPhones manufactured outside the United States, as part of a broader initiative to encourage domestic production and reduce the trade deficit. Apple, which relies heavily on assembly operations in China, was directly in the spotlight of this proposed policy shift. At the same time, the potential implementation of a 50% tariff on European Union imports starting in June risks intensifying trade tensions between the U.S. and Europe. These developments are contributing to growing uncertainty for multinational businesses and global investors.

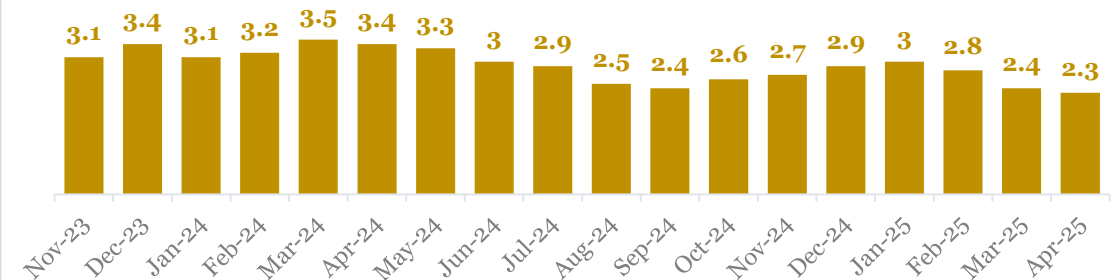
## Global Economic Data

	Current	Previous	Change
US GDP	<b>2.00%</b> (Q1-2025)	<b>2.40%</b> (Q4-2024)	<b>0.40%</b>
US Interest Rate	<b>4.25% - 4.50%</b> (May. 2025)	<b>4.25% - 4.50%</b> (Mar. 2025)	<b>0.00%</b>
US Inflation	<b>2.30%</b> (Apr. 2025)	<b>2.40%</b> (Mar. 2025)	<b>0.10%</b>
China GDP	<b>5.40%</b> (Q1-2025)	<b>5.40%</b> (Q4-2024)	<b>0.00%</b>
China Inflation	<b>-0.10%</b> (Mar. 2024)	<b>-0.70%</b> (Feb. 2024)	<b>0.60%</b>

## US 10 Year Bond Yields (%)

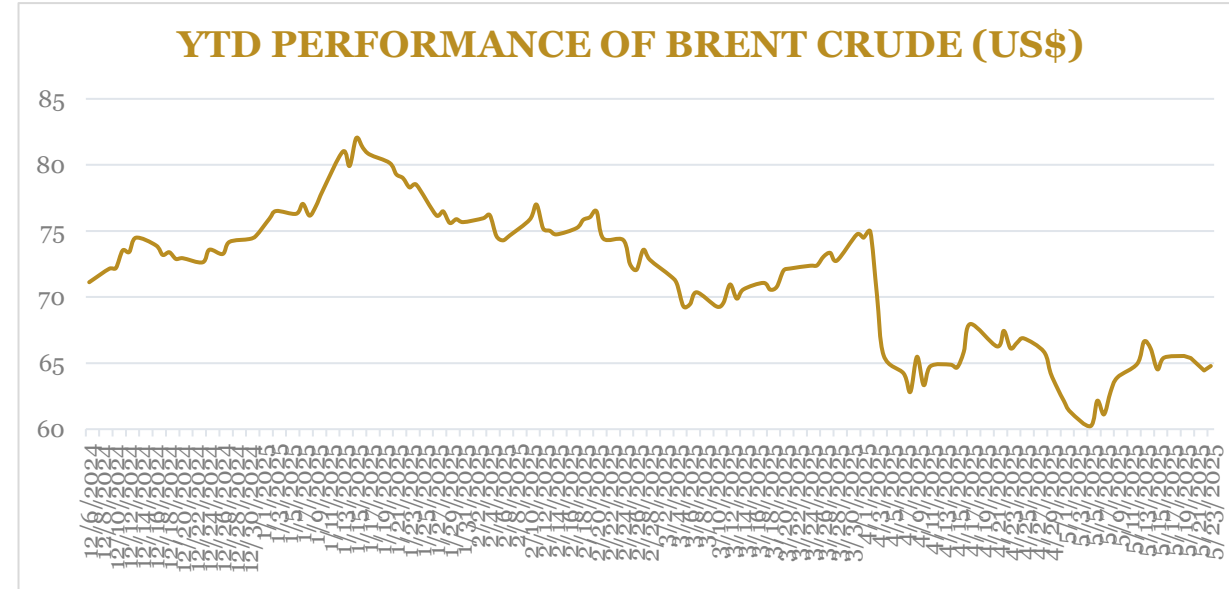


## US Inflation %



# Crude Oil Price Update

- Oil prices closed negative last week. The downward trend was driven by market expectations of a potential increase in OPEC+ production in July. Adding to the bearish sentiment were rising concerns over possible U.S. tariffs on European Union imports, which further dampened investor confidence and weighed on prices.
- On a week-on-week basis, Brent crude prices dropped by **0.96%**, closing at \$64.78 per barrel, while WTI also declined by **0.89%**, settling at \$61.53 per barrel.



Source: Investing.com, PSL Research

## Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	64.78	65.41	<b>0.96%</b>
WTI Crude Price (\$)	61.53	62.08	<b>0.89%</b>

## Domestic Update

- During its 300th meeting on May 19–20, 2025, the Monetary Policy Committee decided to leave all key rates unchanged. The Monetary Policy Rate remained at 27.50%, while the Cash Reserve Ratio stayed at 50% for Deposit Money Banks and 16% for Merchant Banks. The Liquidity Ratio was also kept steady at 30%. This decision came even though headline inflation slowed slightly to 23.71% year-on-year in April, down from 24.23% in March. The committee highlighted ongoing uncertainties in the global economic environment and the impact of falling oil prices on government revenues as reasons for caution. At the same time, it noted some positive developments within the domestic economy. By maintaining current rates, the MPC aims to avoid placing additional pressure on borrowing costs and consumer spending, helping to support continued economic recovery.
- Starting May 2025, Dangote Petroleum Refinery has announced a notable reduction in petrol pump prices, setting rates between ₦875.00 and ₦905.00 per litre across Nigeria. This price adjustment is largely due to declining global oil prices, which currently range between USD 63 and 65 per barrel, alongside Dangote's innovative Naira-for-Crude arrangement that minimizes foreign exchange risk and enhances the refinery's pricing competitiveness. The move is expected to provide immediate financial relief to consumers and could help alleviate inflationary pressures, particularly in sectors heavily reliant on fuel. This development follows earlier price cuts, where ex-depot rates fell from ₦950.00 to ₦835.00 between February and April. Regional price differences remain, with petrol priced at ₦875.00 in Lagos and up to ₦905.00 in the South-South and North-East zones. In reaction to Dangote's pricing strategy, competitors such as the NNPC have adjusted their pump prices to ₦860.00 in selected locations.

## Foreign Exchange Update

- The naira strengthened by 1.1% last week, closing at ₦1,585.00 per US dollar. This gain was largely driven by the Central Bank of Nigeria's intervention, which saw around USD190.4 million injected into the foreign exchange market.
- Similarly, Nigeria's gross foreign exchange reserves rose for the fourth week in a row, climbing by USD166.63 million to reach USD38.54 billion as of May 21.

## Fixed Income Market

- The Treasury bills secondary market saw strong buying interest last week, driven by improved system liquidity and demand from investors seeking to cover unfilled bids from the recent primary market auctions. As a result, the average yield across all tenors fell by 31 basis points to 23.4%.
- At last week's Treasury bills auction, the Central Bank of Nigeria (CBN) offered ₦500.00 billion, slightly below the ₦503.00 billion offered previously. Despite the lower offer, demand strengthened, with total subscriptions rising to ₦1.21 trillion from ₦1.09 trillion, largely driven by strong interest in the 364-day bill, which drew ₦1.05 trillion in bids against a ₦350.00 billion offer. The CBN eventually allotted ₦615.81 billion, up from ₦579.00 billion. Stop rates for the 91-day and 180-day tenors were unchanged at 18.00% and 18.50%, while the 364-day rate eased to 19.56% from 19.63%. Similarly, the Debt Management Office (DMO) held an OMO auction, offering ₦500.00 billion across 182-day and 210-day bills. Total bids reached ₦743.25 billion, and ₦804.34 billion was allotted. Stop rates settled at 23.77% for the 182-day and 23.98% for the 210-day maturities.
- Despite the Monetary Policy Committee's cautious stance, investor interest in the FGN bond market remained strong last week, especially in short- and medium-term maturities. As a result, the market closed on a positive note, with the average benchmark yield edging down slightly from 18.60% to 18.59% by Friday.

## Equity Market

- The Nigerian equities market closed negative last week, erasing over ₦200 billion in investor portfolio value. The downturn was driven by a mix of cautious sentiment following the MPC's hold stance, alongside profit-taking and sell-offs in large and mid-cap stocks, which reversed the gains recorded in the previous trading session. As a result, the NGX All-Share Index and Market Capitalization depreciated by **0.62%** and **0.29%** to close the week at 109,028.62 points and ₦68.752 trillion respectively.
- The market was dragged lower by significant declines in TRANSCOHOT (-15.03%), FIDELITY (-10.34%), CHELLARAMS (-9.96%), ARADEL (-8.55%), and MTNN (-2.88%), which offset strong gains in CUSTODIAN (+21.45%), NESTLE (+19.50%), PRESCO (+7.95%), and GTCO (+2.94%).
- Meanwhile, Market activity picked up over the week, with total trading volume rising by 16.45% week-on-week, while the value of trades grew correspondingly by 15.67%. Sectoral performance was mixed with the Consumer Goods, Insurance and Industrial Goods sectors closing positive by **2.18%**, **0.73%** and **0.72%**, respectively. On the other hand, the Oil & Gas and the Banking sectors closed negative by **3.44%** and **1.52%**, respectively.
- This week, we expect market activity to stay subdued, with profit-taking in recently strong performers likely to be offset by bargain hunters targeting undervalued stocks in the market.