



PARTHIAN
SECURITIES

A Trading License Holder of the Nigerian Exchange Limited

Equity Market Wrap

05 June 2025

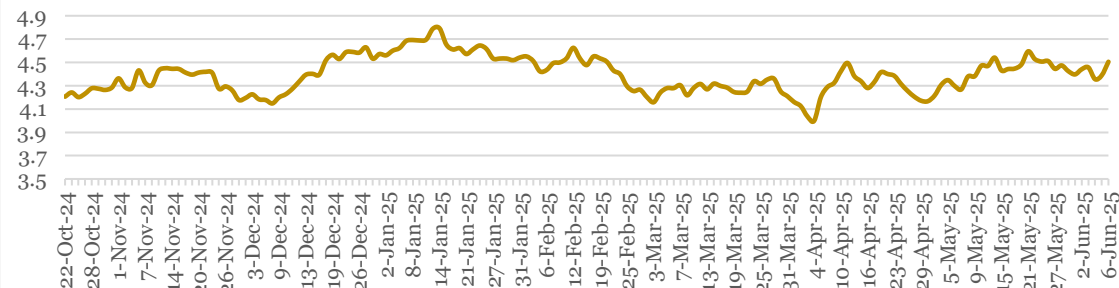
Global Update

- Eurozone inflation slowed to 1.9% in May, down from 2.2% in April, marking the first time since September 2024 that it has fallen below the European Central Bank’s (ECB) 2% target. The easing was largely driven by softer prices in both the energy and services sectors. In response to the softer inflation, the ECB cut its benchmark interest rate by 25 basis points to 2.0%, continuing its monetary easing cycle that began in June 2024. This latest move marks the eighth rate cut in less than a year, aimed at reviving economic momentum across the region. With external challenges particularly from uncertain U.S. economic and trade policies weighing on growth, the ECB’s rate cuts are expected to support business investment and consumer spending. Key industries such as manufacturing, services, and consumer goods stand to benefit from the improved credit conditions and lower borrowing costs.
- The U.S. administration has announced a sharp increase in tariffs on steel and aluminum imports, raising them from 25% to 50% for all trading partners except the United Kingdom. The decision is intended to strengthen domestic production and support job growth in the U.S. metals industry. However, the move has drawn criticism from global partners, who warn it could escalate trade tensions at a time of already fragile economic conditions. The timing is notable, as April’s Consumer Price Index showed inflation slowing to 2.3%, and the higher tariffs could add renewed inflationary pressure. The U.K. which plays a relatively minor role in U.S. steel and aluminum imports was granted an exemption after reaching a preliminary trade agreement during a recent 90-day negotiation window.

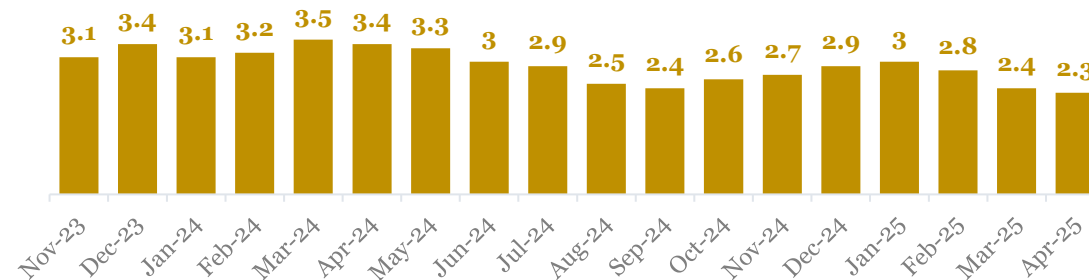
Global Economic Data

	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%

US 10 Year Bond Yields (%)

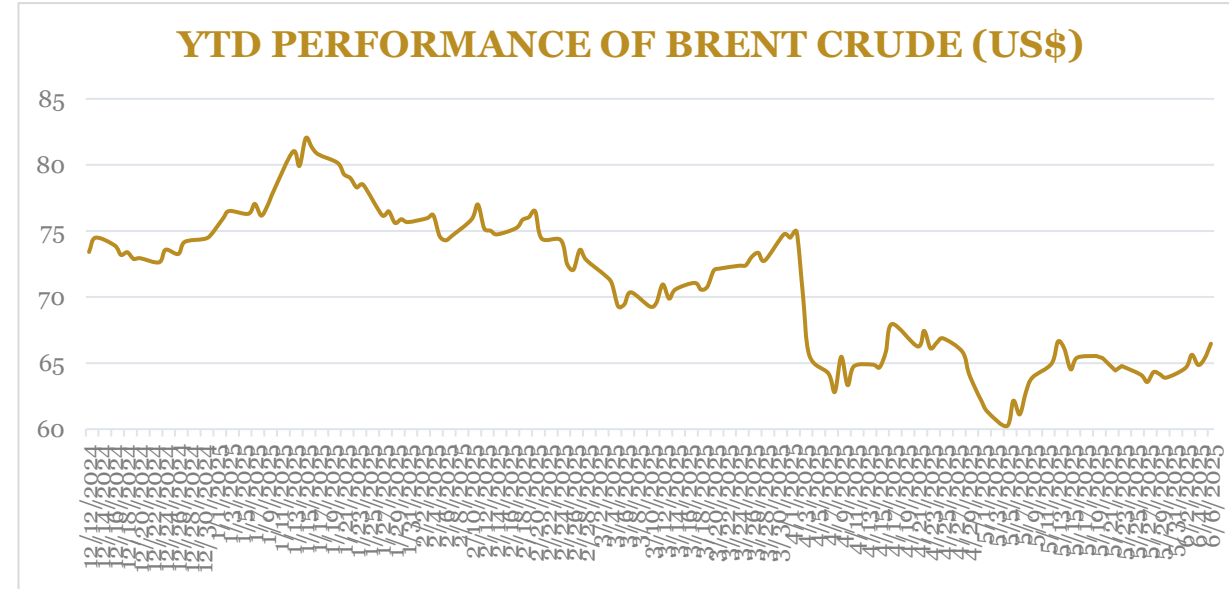


US Inflation %



Crude Oil Price Update

- Last week, global oil prices posted a modest rebound, closing in positive territory for the first time in three weeks, as both Brent Crude and Natural Gas edged higher amid easing global trade tensions.
- On a week-on-week basis, Brent crude prices improved by **4.02%**, closing at \$66.47 per barrel, while WTI also appreciate by **6.23%**, settling at \$64.58 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	66.47	63.90	4.02%
WTI Crude Price (\$)	64.58	60.79	6.23%

Domestic Update

- According to the Central Bank of Nigeria, the Purchasing Managers' Index (PMI) stayed above the 50-point threshold for the sixth consecutive month in May, indicating continued expansion in economic activity. However, the composite PMI edged down slightly to 52.1 points in May from 52.2 points in April, reflecting a broad-based slowdown across the Agriculture, Industry, and Services sectors. In the Agriculture sector, the PMI declined to 53.4 points from 53.8 points in April, driven by reduced general farming activities and lower inventory levels as the planting season commences. The Industry sector PMI also fell slightly to 51.6 points from 51.8 points, mainly due to weaker performance in the transportation equipment as well as the electricity, gas, steam, and air conditioning supply subsectors. Similarly, the Services sector PMI moderated to 51.7 points from 51.8 points, reflecting a slowdown in business activity within company management, educational services, and the finance and insurance subsectors.
- The European Union has pledged an investment of €10.4 million in the Nigeria Solar for Health Project (NISHP), an initiative aimed at strengthening Nigeria's healthcare infrastructure through the provision of reliable, clean energy. The project is designed to ensure 24-hour electricity access for healthcare facilities, while also extending support to power small and medium-sized enterprises (SMEs) and telecom towers. This broader energy access is expected to stimulate economic growth, enhance community development, and improve healthcare delivery across the country. This partnership with the EU is also likely to boost foreign capital inflows, supporting efforts to stabilize the Naira and stimulate growth in both the healthcare sector and the wider economy.

Foreign Exchange Update

- Last week, the naira gained 2.3% against the dollar, closing at ₦1,550.00/USD. The rebound was largely driven by stronger foreign exchange inflows, as foreign portfolio investors showed renewed interest ahead of the OMO auction.
- The Nigeria's gross foreign exchange reserves fell for the second week in a row, dropping by USD 89.58 million to USD 38.36 billion as of June 3.

Fixed Income Market

- The Treasury bills secondary market remained relatively subdued last week but maintained a bullish undertone, as investors sought to cover unmet bids from the Primary Market Auction. This activity led to a slight decline in average yields across all instruments by 3 basis points, settling at 23.0%.
- At the Wednesday's NTB auction, the DMO offered a total of ₦450 billion across three tenors: ₦50 billion for the 91-day, ₦100 billion for the 182-day, and ₦300 billion for the 364-day bills. Total subscriptions rose to ₦1.31 trillion, indicating strong investor demand. The DMO allocated the full amount offered, with stop rates of 17.98%, 18.50%, and 19.35% for the respective tenors. Additionally, the CBN conducted an OMO auction, offering ₦600 billion in 106-day and 232-day bills. The auction saw solid demand, with total subscriptions reaching ₦1.53 trillion. The CBN allotted ₦1.51 trillion at stop rates of 24.20% for the 106-day and 24.64% for the 232-day instruments.
- Last week, the FGN secondary bond market witnessed mild activity and thus the average yield remained unchanged at 18.9%.

Equity Market

- The Nigerian equities market closed last week on a strong note, extending the momentum from the previous week, fueled by significant buying interest. Consequently, the NGX All-Share Index and Market Capitalization appreciated by 2.57% to close the week at 114,616.75 points and ₦72.275 trillion, respectively.
- Last week's gains were primarily driven by bargain hunting in OANDO (+25.77%), FIRSTHOLDCO (+17.60%), FIDSON (+14.18%), MTNN (+13.96%), and INTBREW (+12.89%), which outweighed the sell-offs in JBERGER (-13.50%), CONOIL (-10%), TRANSCOHOT (-9.97%), and NNFM (-9.97%).
- Meanwhile, trading activity slowed down during the week, with volume falling by 20.31% week-on-week and value traded dropping by 37.61%, largely due to the shorter trading week caused by the holiday. Sectoral performance was bullish with the Banking, Insurance, Oil & Gas, Consumer Goods and Industrial Goods sectors closing positive by 4.69%, 3.36%, 3.33%, 2.33% and 1.18%, respectively.
- Going into this week, we expect market activity to be primarily driven by developments within individual companies and sectors, given the absence of any positive catalysts to sustain the current momentum.