



PARTHIAN  
SECURITIES

*A Trading License Holder of the Nigerian Exchange Limited*

# Equity Market Wrap

---

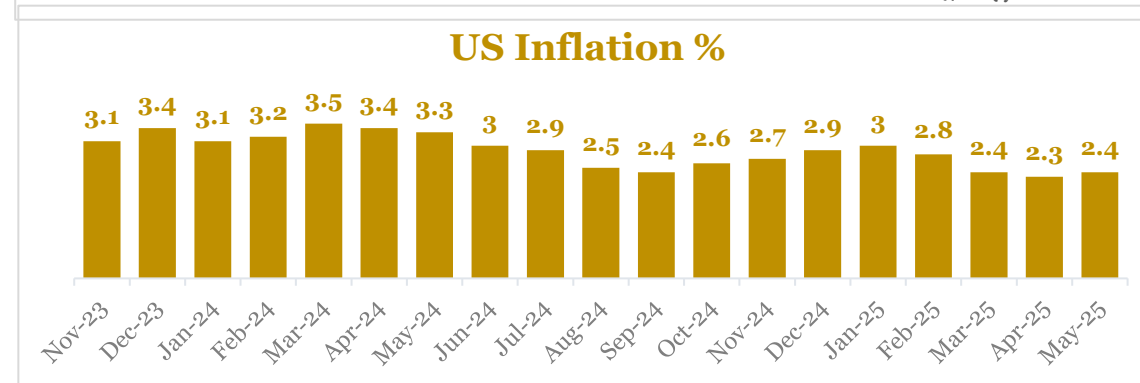
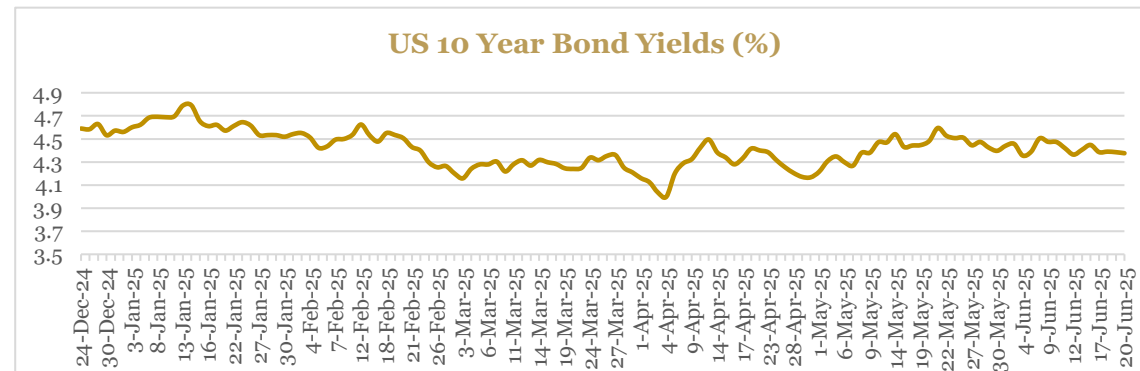
20 June 2025

# Global Update

- At its June 2025 meeting, the Federal Open Market Committee (FOMC) decided to leave the federal funds rate unchanged at 4.25% - 4.50%, marking the fifth meeting in a row without a rate change. The decision aligns with market expectations and reflects the Committee's ongoing assessment of economic conditions. The FOMC highlighted that the U.S. economy continues to grow at a steady pace, bolstered by strong consumer spending and a robust labor market, with unemployment remaining low. However, persistent inflation pressures and global geopolitical uncertainties are still weighing on the medium-term economic outlook. The Committee emphasized its commitment to its dual mandate of maximum employment and stable prices and reiterated that future policy decisions will be guided by incoming economic data.
- UK headline inflation eased slightly to 3.4% year-on-year in May, down from 3.5% in April, primarily due to lower transport costs, particularly reduced airfares. However, underlying price pressures persisted. Food inflation accelerated to 4.4%, the fastest pace in over a year. Core inflation also increased to 4.7%, up from 4.5% in April, reflecting ongoing wage pressures and resilient consumer demand. In response, the Bank of England maintained its benchmark interest rate at 4.25% during the June MPC meeting, adopting a cautious stance amid persistent geopolitical uncertainties and elevated global energy prices.
- Japan's inflation eased marginally in May, with the annual rate slipping to 3.5% from 3.6% in April, mainly due to slower price increases in clothing, household goods, and healthcare. However, this was offset by a sharp surge in food prices, which rose by 6.5% driven largely by higher cost of rice amid supply constraints and elevated production expenses. Energy costs also remained on the rise, with electricity and gas prices increasing by 11.3% and 5.4% year-on-year, respectively. Core inflation climbed to 3.7%, marking the highest level since early 2023, while monthly inflation quickened to 0.3%. In light of sustained price pressures and global economic uncertainty, the Bank of Japan held its benchmark interest rate steady at 0.5%.

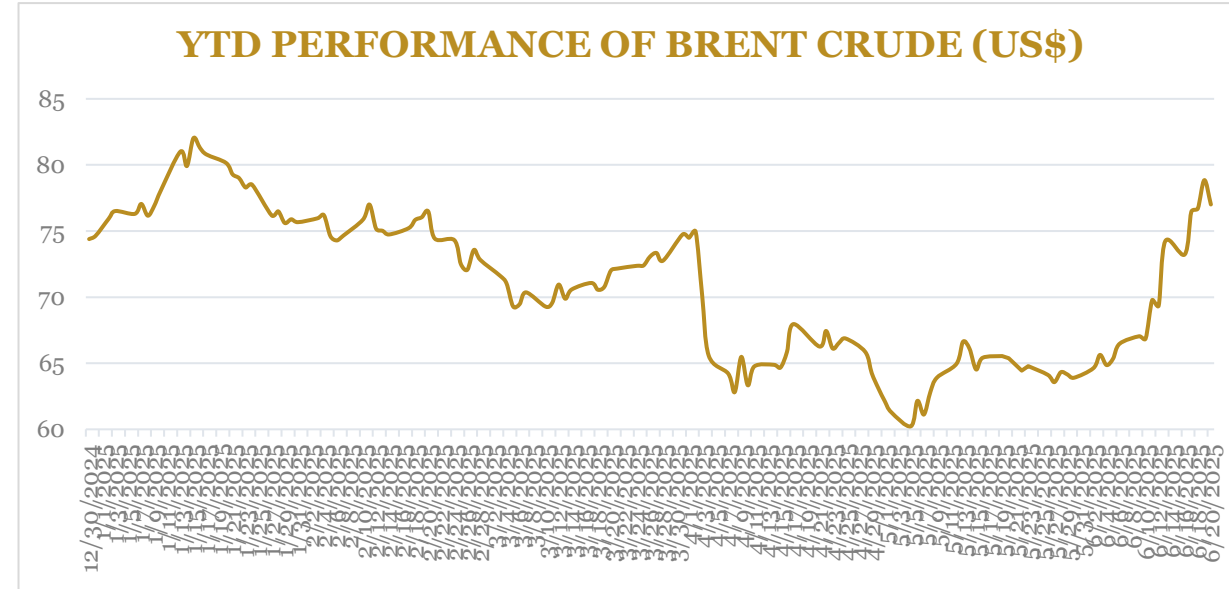
## Global Economic Data

	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> (Jun. 2025)	<b>4.25% - 4.50%</b> (May. 2025)	<b>0.00%</b>
US Inflation	<b>2.40%</b> (May. 2025)	<b>2.30%</b> (Apr. 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> (May. 2024)	<b>-0.10%</b> (Apr. 2024)	<b>0.00%</b>



# Crude Oil Price Update

- Oil prices continued to rise last week, driven by stricter supply curbs from OPEC+ and escalating geopolitical tensions in the Middle East, which heightened market concerns over potential disruptions to global supply.
- On a week-on-week basis, Brent crude prices increased by **3.75%**, closing at \$77.01 per barrel, while WTI climbed by **3.58%**, settling at \$73.84 per barrel.



Source: Investing.com, PSL Research

## Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	77.01	74.23	3.75%
WTI Crude Price (\$)	73.84	71.29	3.58%

## Domestic Update

- Nigeria's inflation rate eased for the second month in a row, with headline inflation falling to 22.97% year-on-year in May, down from 23.71% in April. The slowdown was reflected in food prices, which dipped slightly to 21.14%, helped by relative Naira stability, lower logistics costs and consumer price resistance. Core inflation saw a more significant drop, falling to 22.38% from 23.39% the previous month, largely due to softer price increases in sectors such as education, utilities, healthcare, clothing and footwear, transportation, ICT, and various other services. On a monthly basis, inflation decelerated to 1.53% in May from 1.86% in April, pointing to a gradual cooling of price pressures.
- In a move aimed at strengthening stability within the banking sector, the Central Bank of Nigeria (CBN) on June 13, 2025, directed banks with outstanding regulatory forbearance or breaches of the Single Obligor Limit (SOL) to halt dividend distributions, executive bonuses, and offshore expansion initiatives. The directive reflects concerns that current capital adequacy ratios (CARs) may give an overly optimistic picture of financial resilience, as many loan portfolios especially those tied to the oil and gas as well as refining sectors are still under regulatory forbearance. These measures, originally introduced during the pandemic to ease pressure on banks, allowed for loan restructuring without full provisioning, effectively delaying the recognition of non-performing assets. Some institutions, such as GTCO and Stanbic IBTC, have already exited forbearance arrangements and are now well-positioned to continue dividend payments, making them more attractive to yield-focused investors. Others, like Zenith Bank, FCMB, and FirstHoldCo are actively working toward compliance.
- Wilmar International has reached an agreement to purchase the remaining 50% stake in its Nigerian joint venture, PZ Wilmar Limited, from PZ Cussons plc for USD 70 million. The deal, which is expected to close by Q4 2025 pending regulatory approval, will give Wilmar full control of the business. For PZ Cussons, the sale is part of a broader strategy to streamline its portfolio and concentrate on its core areas (personal and home care). The acquisition will enable Wilmar to strengthen its position in Nigeria by fully integrating its operations, expanding its palm oil activities, and potentially seeking new local partnerships to sustain market competitiveness.

## Foreign Exchange Update

- The Naira strengthened slightly last week, appreciating by 0.13% week-on-week to close at ₦1,547.36 per US dollar. This modest gain was supported by increased foreign portfolio investor (FPI) inflows, particularly from those targeting the recent OMO auction, as well as the Central Bank of Nigeria (CBN) intervention of approximately USD61 million to commercial banks.
- On the other hand, Nigeria's gross foreign exchange reserves continued its downward trend, falling for the fourth straight week by USD219.56 million to USD37.71 billion as of June 19.

## Fixed Income Market

- Last week, the Treasury bills market saw a bullish run, driven by strong demand at the NTB primary market auction. With a significant portion of bids left unmet, excess demand flowed into the secondary market, pushing the average benchmark yield down by 124 basis points to 20.52%. In contrast, yields on OMO bills moved higher. The average benchmark yield on OMO bills rose sharply, increasing by 81 basis points to 26.53%.
- At the NTB primary market auction held on Wednesday, the Central Bank of Nigeria (CBN) offered a total of ₦162.02 billion in Treasury bills comprising ₦22.02 billion for the 91-day tenor, ₦40.00 billion for the 182-day, and ₦100.00 billion for the 364-day. Investor appetite remained strong, with total subscriptions reaching ₦1.23 trillion, slightly lower than the ₦1.31 trillion recorded in the previous auction. The CBN fully allotted the offered amounts, with ₦37.98 billion for the 91-day, ₦40.54 billion for the 182-day, and ₦83.50 billion for the 364-day instruments. Stop rates declined marginally across all maturities, closing at 17.80% (previously 17.98%), 18.35% (vs. 18.50%), and 18.84% (vs. 19.35%) respectively.
- Earlier in the week, on June 16, the CBN also conducted an Open Market Operations (OMO) auction, offering ₦600 billion split equally between the 155-day and 204-day tenors. The auction attracted strong demand, with total subscriptions amounting to ₦1.15 trillion. Ultimately, the CBN allotted ₦1.07 trillion across both maturities at stop rates of 24.20% and 24.59%, respectively.
- Last week, the decline in inflation figures helped boost investor confidence in the FGN bond market, driving demand across all tenors. This positive momentum led to a bullish close, with the average benchmark yield falling to 18.23%, down from 18.50% the previous week.

## Equity Market

- The Nigerian stock market ended last week on a positive despite an earlier pullback in the banking sector. The initial dip was triggered by the Central Bank of Nigeria's directive mandating banks with forbearance loans to suspend dividend payments, executive bonuses, and offshore investments. However, market sentiment rebounded following clarifying statements from several banks, reaffirming regulatory compliance and reassuring investors of their capacity to sustain dividend payments.
- Riding this renewed optimism, the NGX All-Share Index gained **2.35%** week-on-week, closing at 118,138.22 points compared to 115,429.54 points in the prior week. Market capitalization also rose by **2.40%** to ₦74.53 trillion, up from ₦72.79 trillion.
- The market's strong performance was largely supported by notable gains in key stocks such as GTCO (**+18.81%**), SEPLAT (**+9.78%**), STANBIC (**+9.64%**), MTNN (**+9.51%**), and ARADEL (**+7.36%**).
- Sectoral performance was also bullish, with the Oil & Gas, Banking, Insurance, and Consumer Goods sectors closing higher by **5.27%**, **3.58%**, **2.37%**, and **2.16%**, respectively. Conversely, the Industrial Goods sector was the only one to close lower, slipping **0.36%** over the week.
- Trading activity picked up last week, with average volume and value increasing by 4.3% and 36.6% to 683.7 million units and ₦16.9 billion, respectively. The most actively traded stocks by volume were Zenith Bank with 360.6 million units, Champion with 344.9 million units, and Access Bank with 241.5 million units. In terms of value, Zenith Bank led with ₦16.9 billion, followed by GTCO at ₦15.0 billion and UBA with ₦7.5 billion.
- In the absence of any major catalyst, the equities market is likely to trade in a calm yet cautious manner next week. While some investors may continue to take advantage of attractive entry points, intermittent profit-taking could keep overall performance broadly mixed. Ultimately, market direction will likely be shaped by sentiment and short-term positioning..