



PARTHIAN
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Equity Market Wrap

04 July 2025

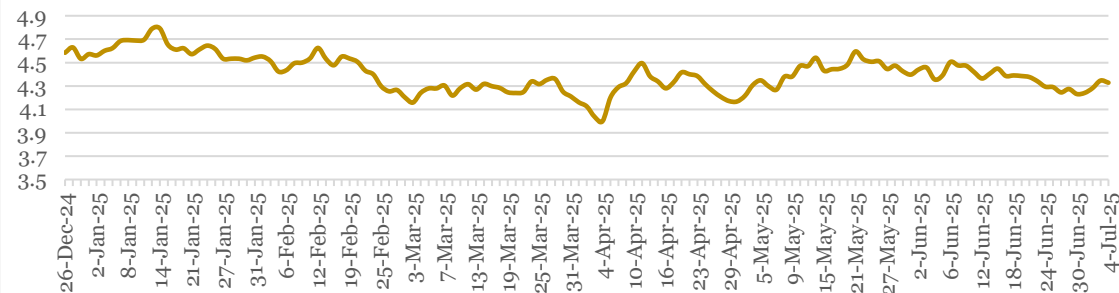
Global Update

- The U.S. economy showed continued resilience in June, as the S&P Global Composite PMI remained in expansion territory, though it declined slightly to 52.9 points from 53.0 points in May. This was supported by a rebound in manufacturing output. Notably, new orders increased steadily, and employment growth reached a five-month high.
- The improvement in employment aligns with the addition of 147,000 jobs during the month and a decline in the unemployment rate to 4.1%. The largest job gains came from the state government, which added 47,000 jobs, mainly in education, healthcare, and social assistance. Meanwhile, employment in the federal government and manufacturing sectors declined. Average hourly earnings rose to \$36.30, while the labor force participation rate edged down to 62.3%.
- Inflation in the Euro Area rose slightly to 2.0% (y-o-y) in June, up from 1.9% in May. This uptick was mainly driven by a surge in services inflation, which increased to 4.1% from 3.7%, reflecting heightened seasonal demand during the summer. In contrast, price growth for food, alcohol, and tobacco eased to 3.1%, down from 3.3% in the previous month. Energy prices remained in negative territory, falling 4.0% (y-o-y), an improvement over the 4.3% decline seen in May. On a month-on-month basis, consumer prices rose by 0.3% after remaining unchanged in May.
- The eurozone's unemployment rate rose marginally to 6.3% in May from 6.2% in April, reflecting cautious hiring amid trade uncertainty and tariff concerns. While still below last year's 6.4%, slower job growth in manufacturing and transport points to ongoing labor market fragility. With over 10.8 million unemployed, the ECB faces the challenge of sustaining policy support as external risks continue to weigh on the region's economic recovery.

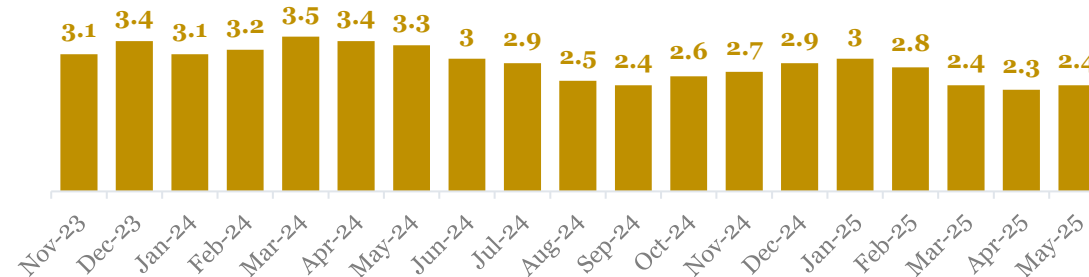
Global Economic Data

	Current	Previous	Change
US GDP	2.00% (Q1-2025)	2.40% (Q4-2024)	0.40%
US Interest Rate	4.25% - 4.50% (Jun. 2025)	4.25% - 4.50% (May. 2025)	0.00%
US Inflation	2.40% (May. 2025)	2.30% (Apr. 2025)	0.10%
China GDP	5.40% (Q1-2025)	5.40% (Q4-2024)	0.00%
China Inflation	-0.10% (May. 2024)	-0.10% (Apr. 2024)	0.00%

US 10 Year Bond Yields (%)

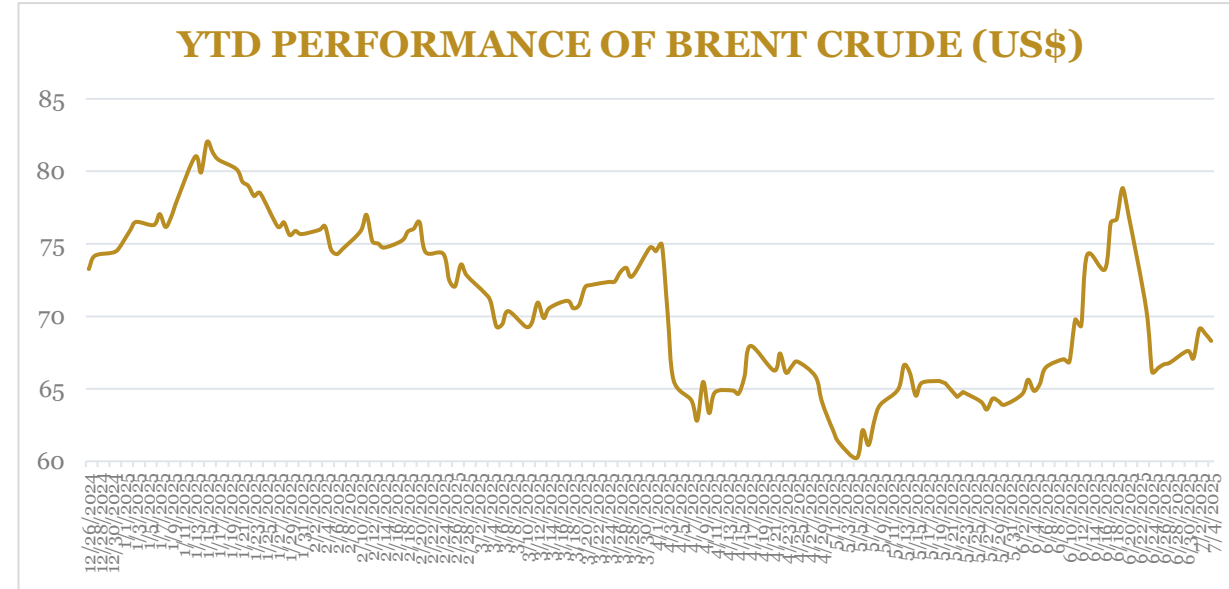


US Inflation %



Crude Oil Price Update

- Oil prices closed the week higher but remained weighed down by underlying pressures. This was due to a variety of factors, including a continued ceasefire between Israel and Iran, stronger-than-expected economic data from the U.S., and market anticipation surrounding the upcoming OPEC+ production decision.
- On a week-on-week basis, Brent crude prices increased by **0.78%**, closing at \$68.30 per barrel, while WTI appreciated by **1.48%**, settling at \$66.49 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	68.30	67.77	0.78%
WTI Crude Price (\$)	66.49	65.52	1.48%



Domestic Update

- In its 2025 Article IV Consultation, the IMF commended Nigeria's bold reforms (including the full removal of fuel subsidies, liberalization of the FX market, and tighter monetary policies) which have contributed to greater macroeconomic stability, strengthened the country's resilience, and boosted investor confidence. However, the Fund flagged persistent structural challenges, particularly rising poverty and food insecurity, suggesting that the gains from reforms are yet to be broad-based. It recommended scaling up direct cash transfers to vulnerable households to cushion the impact of the reforms. The Fund also raised concerns about Nigeria's fiscal position, urging the country to reassess its oil-dependent 2025 budget amid weak global oil prices and emphasized the need to broaden the country's revenue base to safeguard fiscal sustainability and reduce exposure to external shocks
- In the recent report released by the DMO, Nigeria's total debt rose to ₦149.39 trillion in Q1 2025, up from ₦144.67 trillion in Q4 2024. Domestic debt stood at ₦78.76 trillion in Q1 2025, compared to ₦74.38 trillion in the previous quarter. External debt, which accounts for 52.72% of the total, increased by 26.07%, reaching USD 45.97 billion, up from USD 42.11 billion in Q1 2024.
- According to the CBN, Nigeria recorded a current account surplus of \$3.73 billion in Q1 2025, marginally above the \$3.69 billion posted in the same period last year. This improvement was largely supported by a 30% rise in non-oil exports to \$2.66 billion, as well as an increase in natural gas export earnings, which grew from \$2.10 billion to \$2.66 billion.

Foreign Exchange Update

- Last week, the Naira appreciated by 0.70% in the Nigerian Foreign Exchange Market (NFEM), closing at ₦1,528.56/USD on July 4th, up from ₦1,539.24/USD the previous week. In the parallel market, the Naira held steady at an average of ₦1,570.00/USD, unchanged from the prior week. This stability was largely supported by strategic interventions from the CBN and a boost in foreign portfolio inflows.
- Meanwhile, Nigeria's gross foreign exchange reserves continued to decline, dropping for the sixth consecutive week by USD233.29 million to USD37.18 billion as of July 2.

Fixed Income Market

- The Nigerian Treasury Bills (NTB) market maintained the bullish trend last week, driven by selective buying across the curve, despite a quiet trading environment. As a result, the average benchmark yield dropped by 124 basis points, closing the week at 19.96%. Similarly, the average benchmark yield for OMO Bills declined by 353 basis points, falling to 25.34% from 26.26% the previous week.
- At last week's OMO auction, the CBN offered ₦600.00 billion in treasury bills, divided equally between the 113-day and 260-day tenors. The auction attracted total subscriptions of ₦771.65 billion, resulting in a bid-to-offer ratio of 1.3x. The CBN allocated ₦745.40 billion entirely to the 260-day bill, with the stop rate set at 23.99%.
- The FGN bond secondary market also saw a positive trend last week, mainly fueled by strong demand from portfolio managers. As a result, the average yield dropped by 84 basis points, settling at 17.5%.

Equity Market

- The Nigerian equities market was positive last week, driven by stronger activity across the insurance, consumer goods, oil and gas, and banking sectors. Consequently, The NGX All-Share Index and Market Capitalization appreciated by **0.83%** and **0.50%** to close the week at 120,989.66 points and ₦76.339 trillion, respectively.
- The market performance was largely driven by gains in INTBREW (**+10.43%**), NB (**+5.32%**), WAPCO (**+2.89%**), TRANSCORP (**+2.28%**), and BUAFOODS (**+2.23%**). However, the market also saw declines, primarily due to selloffs in PZ (**-14.96%**), JBERGER (**-9.97%**), STANBIC (**-3.45%**), and DANGCEM (**-3.41%**).
- Sectoral performance was predominantly positive last week, with the Insurance, Consumer Goods, Oil & Gas, and Banking sectors recording gains of **5.86%**, **4.08%**, **0.77%**, and **0.12%**, respectively. The Industrial Goods sector was the only exception, posting a decline of **2.11%**.
- Trading activity saw a notable increase, with average volume and value traded rising by 40.01% and 5.80%, reaching 1.10 billion units and ₦21.60 billion, respectively. The most actively traded stocks by volume were ACCESSCORP with 485.10 million units, JAPAUFGOLD with 440.31 million units, and OANDO with 431.00 million units. In terms of value, OANDO led with ₦21.40 billion, followed by SEPLAT at ₦14.31 billion and ACCESSCORP at ₦10.80 billion.
- This week, we expect that investors will maintain their focus on positioning for the upcoming half-year earnings season, with trading dynamics likely influenced by continued portfolio adjustments and rebalancing activity.