



PARTHIAN
SECURITIES

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Equity Market Wrap

18 July 2025

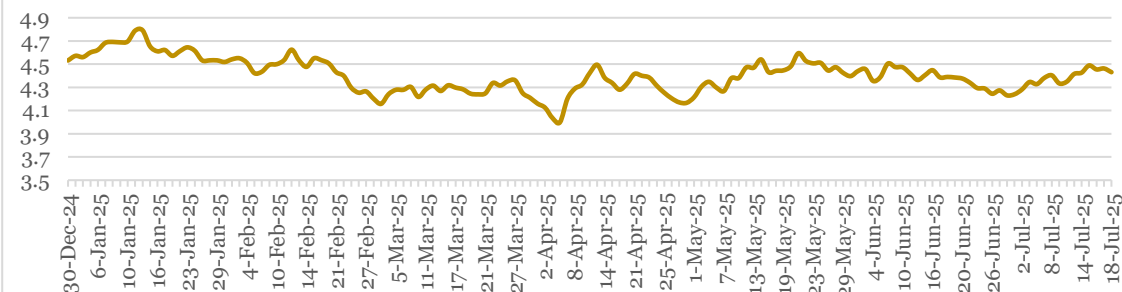
Global Update

- U.S. consumer prices rose by 0.3% year-on-year to 2.7% in June, marking the second consecutive monthly increase. Food inflation ticked up slightly to 3.0% from 2.9%, with food-at-home prices rising modestly to 2.4%, while dining-out costs remained stable at 3.8%. Core inflation also increased to 2.9%, driven by higher costs in medical care, vehicle insurance, and recreation. Energy inflation moderated, falling by 0.8%—a smaller drop than May’s 3.5% as fuel oil prices declined less sharply, though gasoline prices continued to decrease significantly.
- Similarly, the UK's headline inflation increased to 3.60% year-over-year in June 2025, up from 3.40% in May, surpassing market expectations and reversing some of the earlier moderation seen this quarter. Monthly inflation also picked up, rising from 0.10% in May to 0.30% in June. This unexpected increase was largely driven by lower energy and food prices. As a result, investors are reevaluating the timeline for potential monetary easing by the Bank of England, with the chances of a near-term rate cut now appearing less likely.
- Meanwhile, Ghana's headline inflation continued to trend downward in June, dropping to 13.70% year-over-year from 16.50% in May, marking the lowest rate in over two years. This decline, along with a significant drop in local bond yields by more than 250 basis points month-over-month, reflects improving investor sentiment, supported by ongoing IMF-backed reforms and stronger foreign exchange reserves.
- In light of these positive developments, the Bank of Ghana held an emergency Monetary Policy Committee meeting on July 17, 2025, to assess the latest economic data and market conditions. However, the Committee decided not to adjust the policy rate during the meeting, opting instead to schedule a full session within the next ten days to finalize its decision. Although the market had anticipated a possible rate cut, potentially marking Ghana’s first policy easing in over two years, the Committee’s decision to maintain rates suggests a cautious stance, balancing the need to support economic recovery against the risks of renewed currency instability and external economic pressures

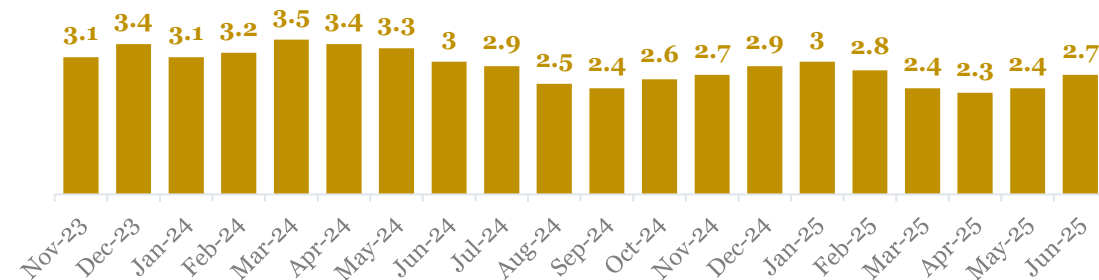
Global Economic Data

	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	2.70% (Jun. 2025)	2.40% (May. 2025)	0.30%
China GDP	5.40% (Q1-2025)	5.40% (Q4-2024)	0.20%
China Inflation	0.10% (Jun. 2024)	-0.10% (May. 2024)	0.00%

US 10 Year Bond Yields (%)

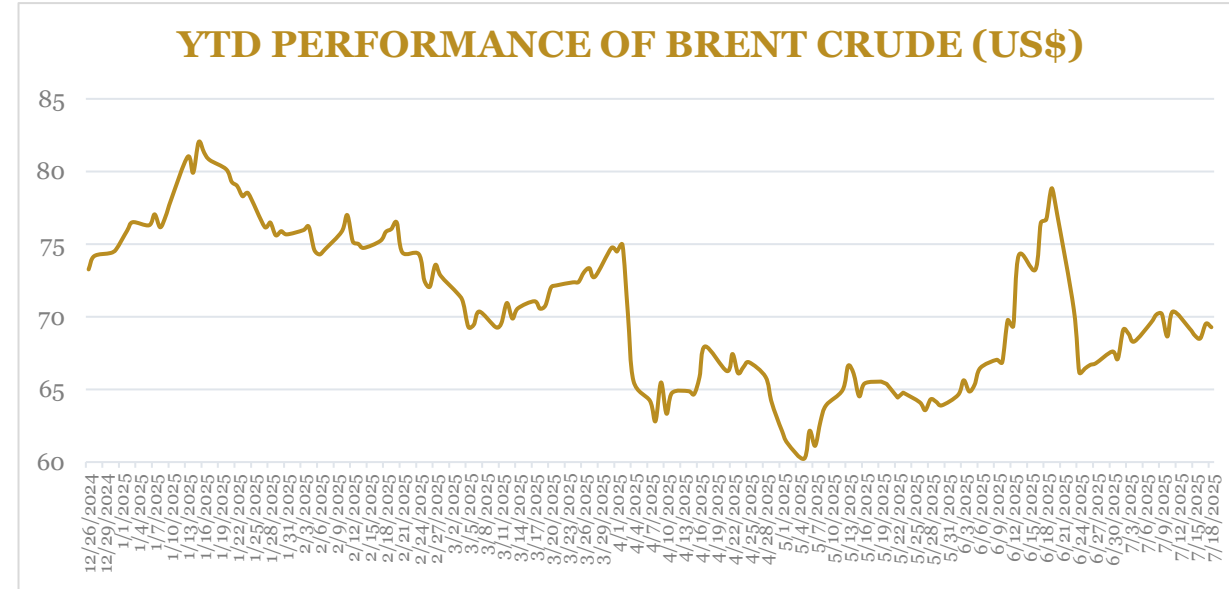


US Inflation %



Crude Oil Price Update

- Crude oil prices fell for the first time in three weeks, influenced by a shift in geopolitical sentiment. President Trump's 50-day deadline to Russia for a ceasefire helped reduce fears of short-term supply disruptions. Still, ongoing uncertainties continue to weigh on market sentiment.
- On a week-on-week basis, Brent crude prices declined by **1.53%**, closing at \$69.28 per barrel, while WTI dropped by **1.62%**, settling at \$67.34 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	69.28	70.36	1.53%
WTI Crude Price (\$)	67.34	68.45	1.62%

Domestic Update



Foreign Exchange Update

- In June 2025, Nigeria's headline inflation eased slightly to 22.22% year-on-year, down from 22.97% in May, representing a modest 0.75 percentage point decline. However, annual food inflation rose to 21.97% from 21.14%, driven mainly by higher prices of essentials such as pepper, tomatoes, meat, and plantain flour, reflecting ongoing supply chain challenges. Annual core inflation also increased to 22.76% from 22.28%, fueled by rising costs in transportation, information technology, and financial services. On a monthly basis, inflationary pressures remained elevated, with headline, food, and core inflation rising to 1.68%, 3.25%, and 2.46%, respectively, compared to 1.53%, 2.19%, and 1.10% in the previous month.
- While the year-on-year dip in inflation offers some relief, the persistent rise in month-on-month figures suggests that the Monetary Policy Committee (MPC) is likely to stay cautious in its next meeting. This approach would aim to protect recent gains while managing supply-side risks that continue to put pressure on prices.
- According to data from the Nigerian Upstream Petroleum Regulatory Commission, Nigeria's crude oil production, including condensates, reached a five-month peak in June, rising by 2.4% month-on-month to 1.70mbpd, up from 1.66 mbpd in May. The increase was largely driven by stronger output from key terminals, including Forcados (+9.5%), Odudu (+9.0%), Qua Iboe (+2.3%), and Bonny (+1.0%). However, production saw declines at several other terminals, including Brass (-15.0%), Agbami (-14.6%), Escravos (-8.7%), and Tulja-Okwuibome (-4.5%). On a year-on-year basis, average crude oil production for the first half of 2025 rose by 11.3%, reaching 1.68mbpd compared to 1.51mbpd in the same period last year.
- United Bank for Africa (UBA) plans to raise ₦157 billion by issuing 3.15 billion new shares through a rights issue, available to existing shareholders at ₦50 per share. This move aims to strengthen UBA's capital in line with the Central Bank of Nigeria's new requirements for Systemically Important Banks. If fully subscribed, the rights issue will increase UBA's share capital, boosting its ability to grow, lend more, and explore new opportunities across Africa.

- The naira recorded mixed performance in the foreign exchange market last week. It appreciated slightly by 0.06% in the parallel market, closing at ₦1,544.00 per dollar, while weakening marginally by 0.14% at the Nigerian Autonomous Foreign Exchange Market (NAFEX), where it ended the week at ₦1,532.34 per dollar. These divergent movements reflect persistent supply-demand imbalances and evolving FX liquidity conditions.
- Meanwhile, gross foreign exchange reserves rose for the second week in a row, climbing by USD422.16 million to reach USD37.85 billion as of July 17.

Fixed Income Market

- Last week, investor sentiment in the Nigerian Treasury Bills (NTB) market remained positive, with substantial buy-side interest contributing to a decline in yields across the curve. The average benchmark yield fell by 477 basis points, closing at 17.73%. This marked a continuation of strong demand for NTBs, indicating investor confidence in the market. Conversely, the Open Market Operations (OMO) segment experienced a bearish trend. The average benchmark yield in this segment rose by 123 basis points, settling at 24.90% by the end of the week.
- The FGN bond market also maintained its bullish momentum last week, driven by steady demand throughout the curve. Consequently, the average yield fell by 72 basis points week-on-week, closing at 16.82%, down from 17.54% the previous week.

Equity Market

- The Nigerian equities market continued its upward trend last week, driven by stronger investor sentiment and increased fund inflows. Despite ongoing macroeconomic challenges, the easing of headline inflation sparked renewed buying activity, particularly in key sectors such as banking, industrials, and consumer goods, with blue-chip stocks seeing notable gains. As a result, the NGX All-Share Index and Market Capitalization appreciated by **4.31%** to close the week at 131,585.66 and ₦83.241 trillion, respectively.
- The market's overall rise was fueled by strong buying interest in stocks like BUACEMENT (**+31.28%**), IMG (**+24.85%**), NESTLE (**+20.00%**), STANBIC (**+18.38%**), ACCESSCORP (**+14.50%**), WAPCO (**+14.06%**), DANGCEM (**+16.47%**), and UBA (**+15.12%**). However, the positive performance was tempered by losses in stocks such as CHAMPION (**-17.52%**), INTBREW (**-7.67%**), OANDO (**-1.94%**), and ARADEL (**-1.53%**).
- Trading activity saw a notable increase last week. The total traded volume surged by 224.62%, reaching 17.49 billion units, while market turnover skyrocketed by 364.48%, hitting ₦500.76 billion. This spike in traded value was primarily fueled by two large off-market transactions: First Bank Holdings and Fidelity Bank, which saw block trades of 10.4 billion and 1.1 billion units, respectively, driving the week's liquidity surge.
- Sectoral performance was largely positive last week, with the Industrial Goods sector leading with a **19.17%** gain, followed by the Banking sector at **5.36%** and Consumer Goods at **1.34%**. On the other hand, the Insurance and Oil & Gas sectors ended the week in the red, down by **3.65%** and **0.76%**, respectively.
- We expect market to advance modestly this week, as investors consolidate recent gains, with sentiment likely to be shaped by upcoming Q2 earnings releases, MPC decisions, and sectoral shifts.