



PARTHIAN
SECURITIES

A Trading License Holder of the Nigerian Exchange Limited

Equity Market Wrap

1 August 2025

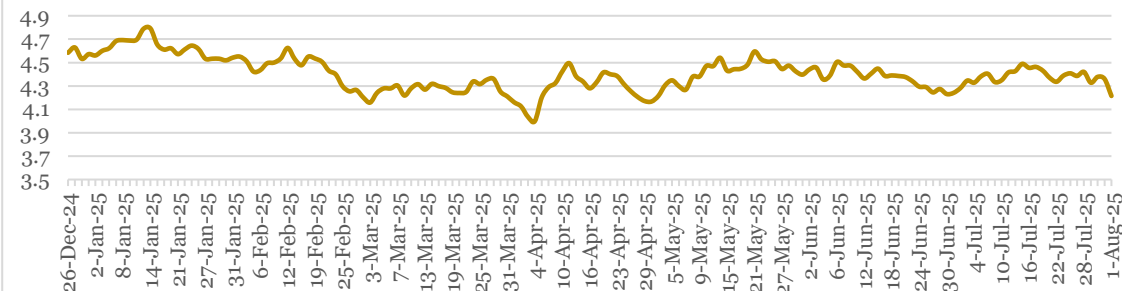
Global Update

- The US economy expanded by 3.0% q/q in Q2 2025, rebounding from a 0.5% contraction in Q1 and beating expectations of 2.4%. The recovery was driven by a sharp 30.3% drop in imports, which boosted net exports despite a modest 1.8% decline in exports. Consumer spending rose by 1.4%, while private investment growth slowed to 15.6% from 23.8% in Q1. Government spending also edged up by 0.4% on increased defense outlays. Year-on-year, GDP growth remained steady at 2.0%.
- U.S. President Donald Trump is preparing to sign executive orders imposing higher tariffs on countries that missed his August 1 trade deal deadline. Nations like Canada, Mexico, and Taiwan could be affected, prompting last-minute negotiations. The White House says there will be no deadline extensions this time. Trump has already imposed steep tariffs on Brazilian goods and others. A 25% tariff on Indian goods is also in the works. Countries like Switzerland and Lesotho risk penalties without clear trade deficit solutions.
- Preliminary data from Eurostat shows the Euro Area economy grew by 0.1% quarter-on-quarter in Q2 2025, a slowdown from the 0.6% recorded in Q1 but slightly ahead of expectations. The subdued growth reflects weaker external demand and the tapering of earlier trade-driven boosts, though consumer and services sectors remained resilient. Among key economies, Germany and Italy posted slight contractions of 0.1%, while France, Spain, and Portugal sustained moderate growth. On a year-on-year basis, GDP rose by 1.4%, driven by household spending and services activity.

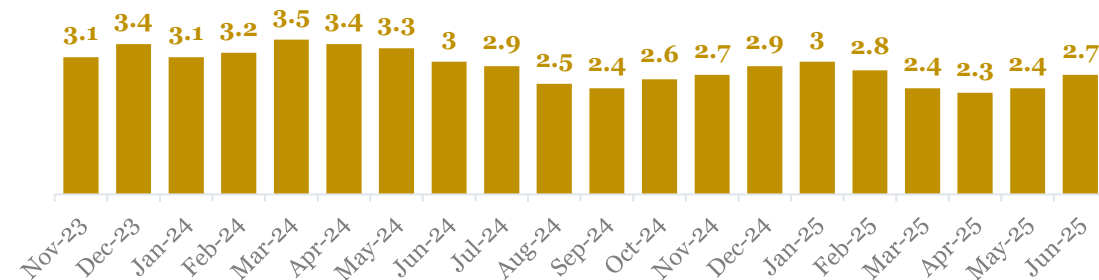
Global Economic Data

	Current	Previous	Change
US GDP	3.00% (Q2-2025)	2.00% (Q1-2025)	0.50%
US Interest Rate	4.25% - 4.50% (Jun. 2025)	4.25% - 4.50% (Jun. 2025)	0.00%
US Inflation	2.70% (Jun. 2025)	2.40% (May. 2025)	0.30%
China GDP	5.40% (Q1-2025)	5.40% (Q1-2025)	0.20%
China Inflation	0.10% (Jun. 2024)	0.10% (Jun. 2024)	0.00%

US 10 Year Bond Yields (%)

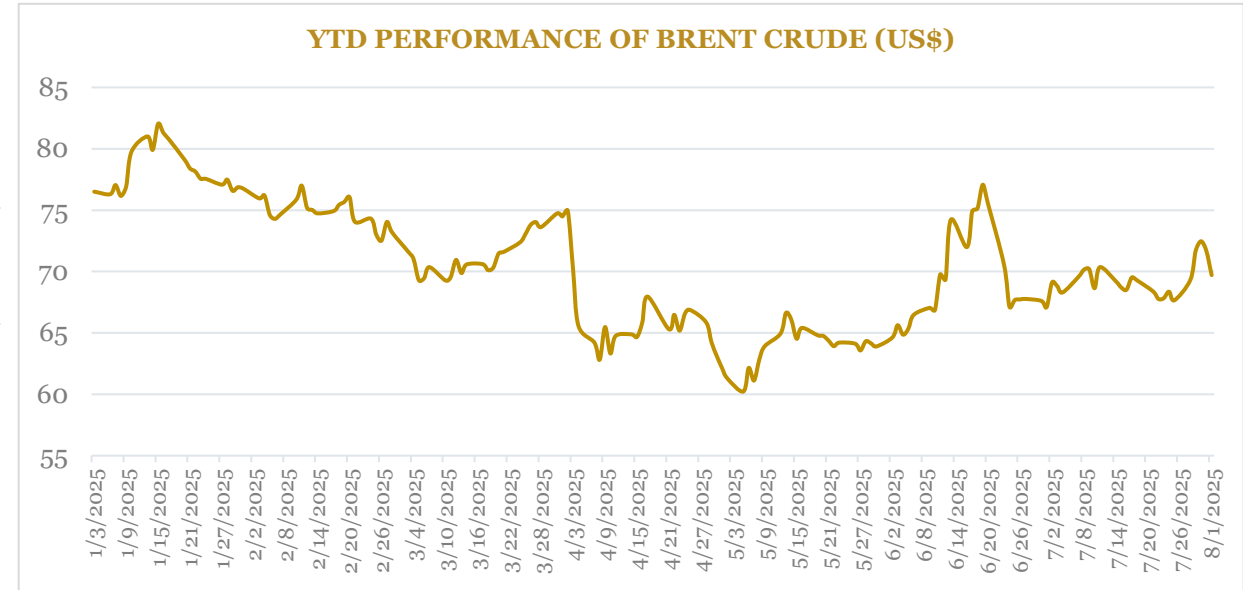


US Inflation %



Crude Oil Price Update

- Oil prices faced downward pressure last week as fresh concerns emerged over weakening global energy demand, especially from the US, following soft economic data and persistent trade frictions. Investor caution also heightened ahead of the OPEC+ meeting, where talks of a possible 548,000 barrels per day output hike stirred oversupply fears.
- Nevertheless, prices managed to close the week in positive territory, driven by geopolitical tensions. Former US President Trump's threat to sanction countries purchasing Russian crude triggered a shift in buying patterns, with India reportedly redirecting its oil imports to the US and UAE, offering some support to prices.
- On a week-on-week basis, Brent crude prices rose by **1.56%**, closing at \$69.51 per barrel, while WTI rose by **3.10%**, settling at \$67.19 per barrel.



Source: Investing.com, PSL Research

Crude Oil Prices

	Current	Previous	Change
Brent Crude Oil(\$)	69.51	68.44	1.56%
WTI Crude Price (\$)	67.19	65.16	3.10%

Domestic Update



Foreign Exchange Update

- The International Monetary Fund (IMF) has raised Nigeria's 2025 growth forecast to 3.4%, up from 3.0% in April, citing growing confidence in the country's short-term outlook. Growth is expected to ease slightly to 3.2% in 2026. Despite the improvement, Nigeria still lag behind Sub-Saharan Africa's average of 4.0% for 2025. However, it outpaces South Africa's projected 1.0% growth. Globally, growth is now forecast at 3.0% for 2025, aided by improved financial conditions and lower trade tensions. Inflation is expected to decline globally but stay elevated in some countries. The IMF warned that recent growth gains may be temporary, driven by early trade activity.
- The Federal Government plans to boost Nigeria's crude oil output by 810,000 barrels per day through a new deepwater cluster development strategy. Spearheaded by the NUPRC, the initiative aims to revive offshore production, which has dropped below 500,000 bpd from 800,000 bpd in 2016. Nigeria holds over 5 billion barrels of untapped deepwater reserves. The NUPRC is pushing for collaboration among oil companies to share infrastructure and reduce costs. Despite incentives like zero hydrocarbon tax, progress has been slow due to funding, regulatory, and infrastructure challenges. Officials stress urgent action is needed to meet Nigeria's production potential.
- Aliko Dangote plans to list his Petroleum Refinery, giving Nigerians a chance to become shareholders. He emphasized Africa should refine its own fuel and boost local LPG usage for clean cooking. Addressing monopoly concerns, Dangote said real investors should support Nigeria's economy. He warned against Africa becoming a dumping ground for poor-quality products.
- UAC of Nigeria has agreed to acquire Chivita|Hollandia (CHI Limited) from The Coca-Cola Company, pending regulatory approval. The move marks a major step in UAC's growth strategy, boosting its presence in Nigeria's food and beverage sector. UAC's CEO expressed excitement about building on Chivita|Hollandia's legacy, while CHI's MD praised the team's success and expressed optimism about future growth. The deal aligns with Coca-Cola's shift to a more flexible, asset-light model. Legal and financial advisors were involved on both sides to support the transaction.

- The naira recorded a marginal gain at the official window last week, appreciating by 0.06% to close at ₦1,533.74/\$1, driven by improved foreign exchange liquidity and ongoing support from the Central Bank of Nigeria (CBN). The parallel market saw a slight dip, with the naira weakening by 0.13% to an average of ₦1,537/\$1, as increased demand from travelers ahead of the holiday season put pressure on the dollar.
- Additionally, Nigeria's external reserves rose by 1.53% week-on-week to \$39.36 billion as of July 30, reflecting stronger FX inflows.

Fixed Income Market

- The Treasury bills secondary market displayed a mixed performance last week. The Nigerian Treasury Bills (NTB) segment came under selling pressure, leading to a 12 basis points increase in the average benchmark yield to 17.79%, up from 17.68% the previous week. In contrast, the Open Market Operations (OMO) segment saw mild buying interest, as the average benchmark yield edged lower by 1 basis point to close at 24.82%. During the week, the Central Bank of Nigeria (CBN) held an OMO auction, offering ₦600 billion split evenly between the 113-day and 204-day maturities. Investor appetite remained strong, with total bids reaching ₦1.63 trillion, representing a bid-to-offer ratio of 2.7x. The CBN eventually allotted ₦1.55 trillion in the 204-day bill alone at a stop rate of 23.87%.
- Meanwhile, the Nigerian secondary FGN bond market turned bearish last week, as widespread sell-offs pushed the average yield up by 15 basis points to 16.35%. This shift in sentiment was as a result of investors taking a more cautious stance in response to evolving expectations around domestic interest rates, coupled with a lack of strong support from the primary market.

Equity Market

- The Nigerian equities market extended its bullish streak last week as investors responded positively to strong half-year 2025 earnings, robust corporate fundamentals, and attractive dividend declarations. Consequently, the NGX All-Share Index and Market Capitalization advanced by 5.07% and 5.08%, closing the week at 141,263.05 points and ₦89.373 trillion, respectively.
- The rally was largely fueled by notable gains in MTN Nigeria (+20.00%), Lafarge Africa (+19.15%), Ecobank Transnational (+17.03%), Beta Glass (+16.71%), PZ Cussons (+15.44%), Dangote Sugar (+12.88%), NASCON (+10.61%), BUA Cement (+9.63%), Guinness Nigeria (+9.96%), Dangote Cement (+7.16%), and BUA Foods (+5.32%). Investors remained upbeat, positioning ahead of interim dividend announcements and capitalizing on solid earnings reports. On the flip side, NAHCO (-15.13%), Oando (-11.57%), Honeywell Flour (-11.11%), Vitafoam (-10.13%), Northern Nigeria Flour Mills (-10.00%), FBN Holdings (-7.73%), and Eterna (-5.44%) led the decliners, posting the most significant weekly losses.
- Market activity strengthened as total volume traded rose by 31.6% to 4.85 billion shares, while total transaction value increased by 33.8% to ₦149.75 billion. Performance across sectors was mixed: Industrial Goods, Banking, and Consumer Goods sectors recorded gains of 10.12%, 3.49%, and 2.72% respectively, while the Insurance and Oil & Gas sectors closed lower by 1.22% and 0.48%.
- Looking ahead, with most H1 2025 results now released and generally exceeding expectations, investor sentiment is expected to remain positive, particularly as Tier-1 banks prepare to announce interim dividends. Additionally, the prevailing low yields in the fixed income market should continue to drive fund flows into equities, as investors seek better returns and reassess stocks with strong earnings outlooks.