Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

DOMESTIC ECONOMY: Nigeria Sees Solid 3.40% Growth in 2024; Services Sector Leads Amid Oil Industry Struggles….

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FOREX MARKET: Bonny Light Weakens Amid Low Demand, Pressuring Forex Reserves as Naira Holds Steady….

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MONEY MARKET: Money Market Awash with Liquidity as NIBOR Rates Plunge Amid FAAC Inflows...

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BOND MARKET: Fixed Income Market Rallies as Yields Depress Amid Strong Bond Demand…..

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Looking ahead, the equities market is expected to maintain a mixed trajectory in the coming week. While profit-taking activities may persist, there is a likelihood of a slight recovery as investors reposition their portfolios based on earnings results. The influx of audited corporate earnings reports is anticipated to influence market sentiment, particularly for stocks with strong fundamentals.…..

DOMESTIC ECONOMY: Nigeria Sees Solid 3.40% Growth in 2024; Services Sector Leads Amid Oil Industry Struggles…

Nigeria's Gross Domestic Product (GDP) expanded by 3.4% in 2024, marking the fastest growth rate in three years and an improvement from 2.74% in 2023. This expansion was primarily driven by the services sector, which grew by 5.37% year-on-year, reinforcing its role as the dominant force in the country's economic output. However, despite this positive trajectory, the economy fell short of the Federal Government's ambitious 6% growth target for the year.

Economic growth was consistent throughout the year, with quarterly GDP figures reflecting a steady recovery. The first quarter posted a 2.98% growth rate, which accelerated to 3.19% in Q2, 3.46% in Q3, and peaked at 3.84% in Q4. This trend underscored the resilience of the economy, particularly as the non-oil sector remained the primary driver of expansion.

The non-oil sector contributed 94.49% to real GDP in 2024, slightly lower than its 94.60% share in 2023. However, its real growth rate improved to 3.96% from 3.07% in the previous year. Key contributors to this growth included financial services, telecommunications, agriculture (crop production), road transport, trade, and manufacturing. The increased adoption of digital financial services and continued expansion in telecommunications played a pivotal role in the sector's strength.

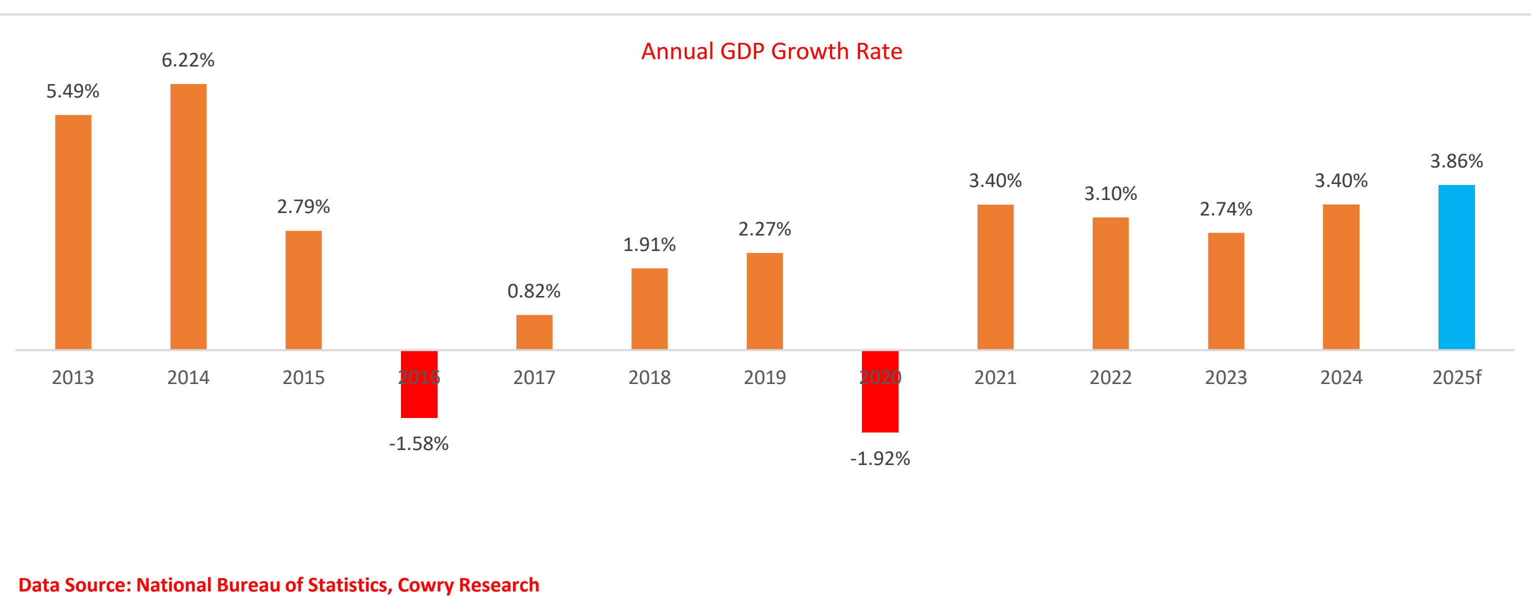
In contrast, the oil sector continued to struggle, reflecting persistent challenges in crude oil production and structural inefficiencies. The sector contributed 5.51% to GDP in 2024, a slight increase from 5.40% in 2023. However, crude oil output remained weak, averaging 1.54 million barrels per day (mbpd) for the year—marginally lower than the 1.56 mbpd recorded in 2023. The sector's limited output hindered its overall contribution to economic growth, despite modest improvements in the latter half of the year.

A closer look at sectoral performance highlights the increasing diversification of Nigeria's economy. The services sector continued to outpace other segments, contributing 57.38% to aggregate GDP in Q4 2024. Telecommunications and financial services were the standout performers, driven by increased internet penetration, digital banking expansion, and fintech adoption. Meanwhile, the agriculture sector recorded 1.76% growth in Q4, slightly below the 2.10% growth reported in the same period of 2023. The industrial sector, however, saw a slowdown, declining to 2% growth from 3.86% in Q4 2023.

For the oil sector, real growth declined to 1.48% in Q4 2024, down significantly from 12.11% in Q4 2023 and lower than the 5.17% recorded in Q3 2024. On a quarter-on-quarter basis, the sector contracted by 7.19%, underscoring the persistent challenges in crude oil production and investment. In contrast, the non-oil sector grew by 3.96% in Q4, higher than the 3.07% recorded in Q4 2023 and the 3.37% growth in Q3 2024. This growth was primarily driven by Financial and Insurance (Financial Institutions), Information and Communication (Telecommunications), Agriculture (Crop production), Transportation and Storage (Road Transport), Trade, and Manufacturing.

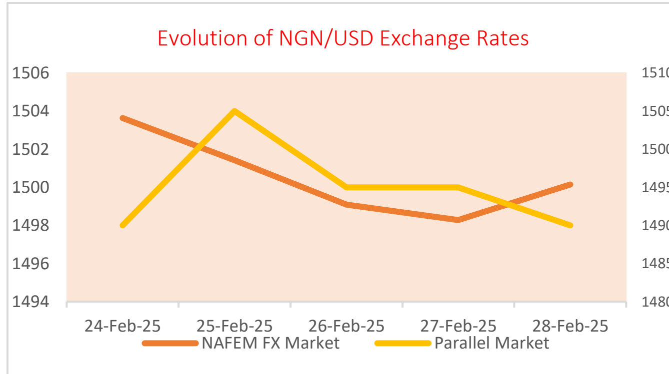
Despite the positive trajectory, Nigeria's economic landscape in 2024 remained complex, shaped by inflationary pressures, foreign exchange volatility, and structural challenges in the oil sector. While the services and non-oil sectors continued to drive growth, the lack of significant improvement in crude oil production highlighted vulnerabilities in export earnings and fiscal stability.

Looking ahead, economic growth is expected to remain anchored by the non-oil sector, which has accounted for 90% of overall output growth since 2021. The financial services and ICT sub-sectors are poised to maintain their strong momentum, while agriculture and trade could experience moderate expansion. However, sustained growth will depend on government efforts to address structural bottlenecks, improve business conditions, and enhance productivity across key sectors. For the oil sector, a gradual recovery in upstream activities, alongside increased contributions from midstream and downstream operations, is anticipated.



FOREX MARKET: Bonny Light Weakens Amid Low Demand, Pressuring Forex Reserves as Naira Holds Steady…

The Nigerian oil benchmark, Bonny Light crude, traded in a weak region at the international oil market this week, shedding $2.36 or 3.2% week-on-week to close at $75.88 per barrel as of Thursday, February 27, 2025. This decline was primarily driven by weakened global demand, which weighed on crude prices across the board. The sustained pressure on oil prices resulted in lower dollar inflows into Nigeria's economy, directly impacting the nation's foreign exchange reserves. As a result, forex reserves declined by $240 million or 0.61% week-on-week, reflecting weaker oil earnings and highlighting the persistent foreign exchange liquidity challenges facing the country.



In the foreign exchange market, the naira exhibited mild strength against the US dollar, hovering around the N1,500 band. At the official window, the local currency appreciated marginally by 93 kobo against the greenback, closing at N1,500.15 per dollar. Meanwhile, at the parallel market, the naira gained N5 to settle at an average of N1,490 per dollar as demand pressure eased slightly.

In the coming week, we anticipate a continued battle for stability in the forex market as the apex bank intensifies efforts to defend the naira. With the CBN expected to take more decisive steps to support the local currency, including tightening liquidity and enhancing forex supply mechanisms, the naira could gain further ground against the dollar in the coming week.

MONEY MARKET: Money Market Awash with Liquidity as NIBOR Rates Plunge Amid FAAC Inflows…....

The Nigerian money market witnessed a significant increase in liquidity this week following a substantial inflow of N1.7 trillion from the Federation Account Allocation Committee (FAAC). This excess liquidity led to a sharp decline in the Nigerian Interbank Offered Rate (NIBOR) across all tenors, reflecting reduced funding pressures among financial institutions. The Overnight NIBOR saw the steepest drop, plunging by 438 basis points to settle at 28.54%. Similarly, the one-month, three-month, and six-month NIBOR rates declined by 17 basis points, 36 basis points, and 84 basis points, respectively, highlighting the impact of the liquidity surplus in the interbank market.

The decline in market rates was also evident in the broader money market, as both the Overnight (OVN) rate and the Open Buy Back (OPR) rate moderated, closing the week at 26.75% and 27.33%, respectively. This occurred despite the Debt Management Office (DMO) settling N910.4 billion worth of Federal Government bonds, which temporarily absorbed some liquidity from the financial system.

In the Nigerian Treasury Bills (NTB) market, the Nigerian Interbank Treasury Bills True Yield (NITTY) declined across most tenors, with the exception of the one-month NITTY, which rose by 21 basis points. This suggests that investors are shifting focus towards short-term securities, likely in response to prevailing money market conditions and expectations of further liquidity inflows. Meanwhile, the three-month, six-month, and twelve-month NITTY rates trended lower as market participants exited the secondary market in anticipation of an upcoming robust Primary Market Auction (PMA) for Treasury Bills next week.

The secondary Treasury Bills market saw a moderate bullish sentiment, as the average yield declined by 35 basis points week-on-week. This downward movement in yields was largely driven by increased demand across various maturities, as investors sought to lock in favourable rates ahead of the expected liquidity surge.

Looking ahead, we anticipate a further decline in money market rates in the coming week as liquidity inflows continue to shape market dynamics. Another tranche of N1.7 trillion from FAAC allocations is expected to permeate the financial system, sustaining the current liquidity uptrend. Additionally, maturities worth N50 billion from Open Market Operation (OMO) bills and N1.27 trillion from Treasury Bills will enter the market, further bolstering liquidity levels. Given these conditions, short-term interest rates are likely to remain under pressure, with investors closely monitoring developments in the fixed-income space for strategic positioning.

BOND MARKET: Fixed Income Market Rallies as Yields Depress Amid Strong Bond Demand…..

The fixed income market maintained a bullish posture this week as yields continued to stay depressed, with heightened demand for government bonds dominating market activity. Buying interest was particularly evident at the short- and mid-segment of the yield curve, signalling a potential flattening trend. As a result, the secondary FGN bonds market closed the week in positive territory, with strong demand seen in specific maturities such as MAR-25, JAN-26, and MAY-33, collectively driving the average secondary market yield downward by 94 basis points to settle at 18.53%.

A major highlight of the week was the Debt Management Office (DMO)'s February 2025 FGN bonds primary market auction, where the agency offered two instruments worth N350 billion—N200 billion for the April 2029 bond and N150 billion for the

February 2031 bond. Investor appetite was overwhelming, as reflected in the total subscription level of N1.6 trillion, translating to a bid-to-offer ratio of 4.7x. This figure more than doubled the N669.9 billion subscription recorded at the January auction, underscoring increased investor interest in fixed-income securities. Notably, the longest-tenured bond, the February 2031 issue, garnered the most attention, attracting a substantial N1.2 trillion in subscriptions, which accounted for approximately 72% of total bids. This significant interest led to a final sale of N605 billion for this maturity.

Despite the elevated subscription levels, the DMO opted for a measured approach, raising a lower-than-expected N910.4 billion. As a result, the marginal rates for the April 2029 and February 2031 bonds settled lower at 19.20% and 19.30%, respectively, compared to 21.79% and 22.50% recorded in the prior auction.

Meanwhile, in the Eurobond segment, trading activity remained subdued, with mild sell-offs observed across the mid- and long-term curves. Consequently, the average market yield edged up slightly by 2 basis points week-on-week to 8.95%, reflecting investor caution in the international debt space.

Looking ahead, we anticipate sustained bullish activity in the secondary fixed income market, as investors continue to take advantage of attractive yields. Additionally, expectations of potential rate cuts may further bolster demand, driving a continuation of the positive sentiment seen in recent weeks..

EQUITIES MARKET: Bearish Sentiment Prevails as NGX Index Slips 0.62% w/w Below 108,000 Psychological Mark…

The Nigerian equities market closed the week on a bearish note as sustained sell pressure pushed the benchmark NGX All-Share Index (ASI) down by 0.62% week-on-week to 107,821.39 points. This marked a significant breakdown below the 108,000 psychological level, reflecting weak market internals and subdued trading volumes. The downturn came amid the ongoing corporate earnings season and portfolio rebalancing across market sectors, driven in part by developments in the fixed-income market and mixed earnings reports from listed companies.

As a result of the market downturn, the total market capitalisation declined by N421.28 billion to settle at N67.19 trillion, reflecting a 0.62% contraction over the week. The number of declining stocks outweighed the advancing ones, as the exchange recorded only 26 gainers compared to 60 losers. This imbalance contributed to the weakening market breadth and highlighted the dominance of bearish sentiment.

Throughout the week, trading activity was relatively muted as investors engaged in cautious portfolio adjustments and sectoral realignments. Total traded volume declined by 7.63% to 1.85 billion units, exchanged in 63,090 deals, down from the 2 billion units recorded in 70,853 transactions in the previous week. Despite the drop in volume, the total traded value saw a slight improvement, increasing by 3.84% to N51.39 billion from N49.49 billion recorded in the prior week. This suggests that while overall investor participation remained tepid, there was selective accumulation of stocks with attractive valuations.

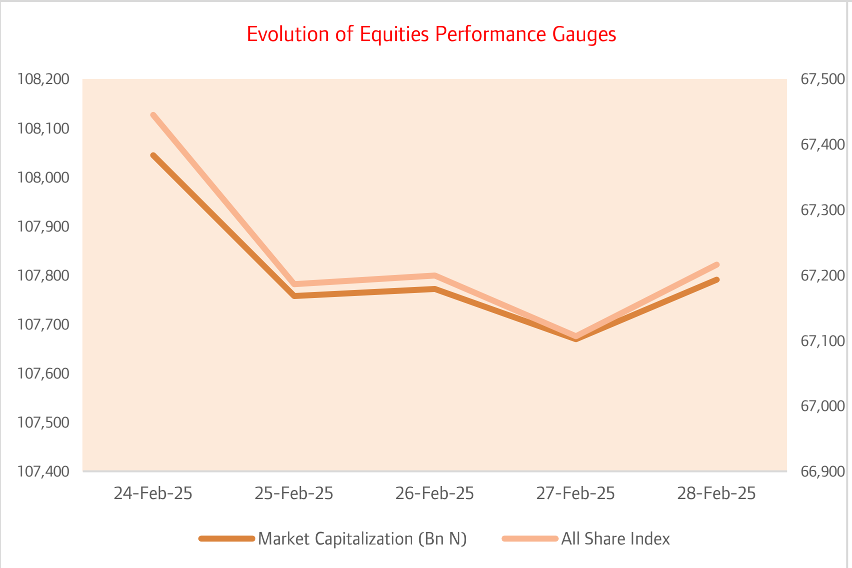
Sectoral performance painted a largely negative picture, with four out of the six tracked indices closing in the red. The NGX-Insurance Index emerged as the worst-performing sector, slumping by 4.56% week-on-week as investors offloaded shares in key insurance stocks such as SUNU Assurances and Guinea Insurance. The NGX-Banking sector followed closely, declining by 3.08%, driven by losses in Ecobank Transnational Incorporated (ETI), Sterling Bank, and FBN Holdings. Similarly, the NGX-Consumer Goods and NGX-Industrial goods sectors posted marginal declines of 0.36% and 0.51%, respectively, following negative price movements in stocks such as Union Dicon, Northern Nigeria Flour Mills, Multiverse, UPDC, and Cadbury.

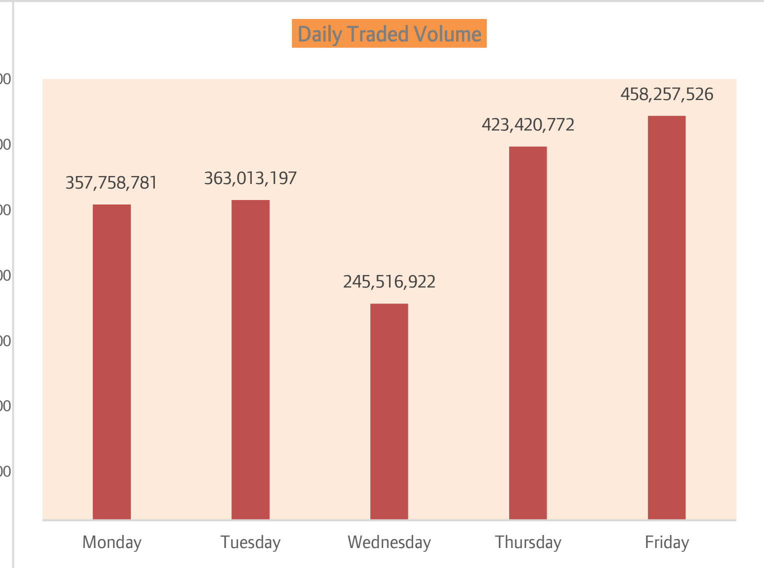
On the flip side, the oil and gas sector emerged as the strongest performer for the week, as the NGX-Oil & Gas Index posted notable gains, buoyed by positive price movements in Oando, Aradel Holdings, and Eterna. The NGX-Commodities sector also recorded some level of resilience, supported by gains in Okomu Oil and other select stocks.

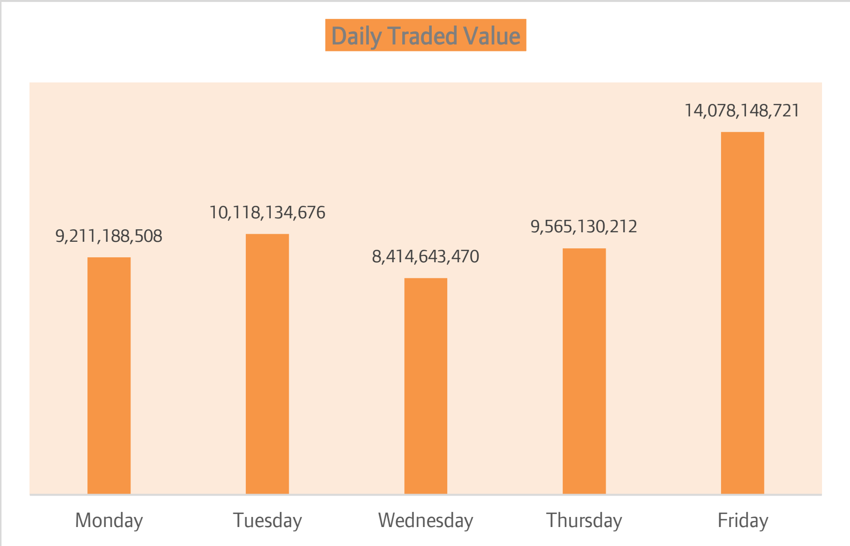
Amid the overall bearish sentiment, a few stocks stood out as top gainers for the week. PZ Cussons led the rally, appreciating by 31.1 %, followed by CAVERTON, which recorded a 22.9% gain. LIVESTOCK FEEDS and UHOMREIT also posted strong performances, rising by 22.8% and 20.9%, respectively. Other notable gainers included ABC Transport, which appreciated by 15.4%, benefiting from renewed investor interest.

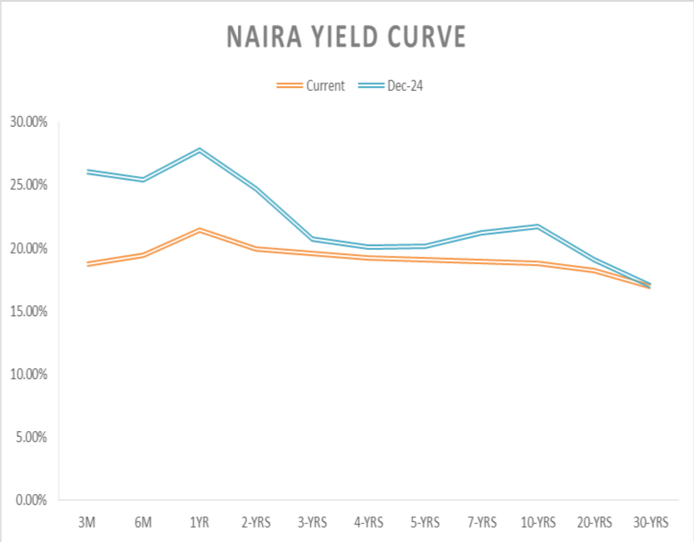
Conversely, SUNU Assurances emerged as the worst-performing stock, shedding 19.5% of its value as sell pressure intensified. Eunisell followed with an 18.7% decline, while Learn Africa, Guinea Insurance, and International Energy Insurance posted significant losses of 16.5%, 15.8%, and 13.6%, respectively. The sustained downturn in these stocks reflected the general risk-off sentiment in the market.

Looking ahead, the equities market is expected to maintain a mixed trajectory in the coming week. While profit-taking activities may persist, there is a likelihood of a slight recovery as investors reposition their portfolios based on earnings results. The influx of audited corporate earnings reports is anticipated to influence market sentiment, particularly for stocks with strong fundamentals. Investors are advised to remain vigilant, focusing on stocks with strong fundamentals to make informed investment decisions









Weekly Top Gainers and Losers as at Friday, February 28, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	28-Feb-25	21-Feb-25	% Change	Symbol	28-Feb-25	21-Feb-25	% Change
PZ	35.40	27.00	31.1%	SUNUASSUR	5.31	6.60	-19.5%
CAVERTON	2.95	2.40	22.9%	EUNISELL	9.80	12.05	-18.7%
LIVESTOCK	7.43	6.05	22.8%	LEARNAFRCA	3.30	3.95	-16.5%
UHOMREIT	44.25	36.60	20.9%	GUINEAINS	0.64	0.76	-15.8%
ABCTRANS	1.42	1.23	15.4%	INTENEGINS	2.01	2.36	-14.8%
JOHNHOLT	7.98	7.00	14.0%	SOVRENINS	1.14	1.32	-13.6%
AUSTINLAZ	2.09	1.90	10.0%	ETI	30.40	34.70	-12.4%
IKEJAHOTEL	12.10	11.00	10.0%	PRESTIGE	1.10	1.24	-11.3%
ROYALEX	0.90	0.84	7.1%	UNIONDICON	5.40	6.00	-10.0%
MCNICHOLS	1.70	1.60	6.3%	NNFM	72.55	80.60	-10.0%

FGN Eurobonds Trading Above 7% Yield as at Friday, February 28, 2025

FGN Eurobonds	Issue Date	TTM (years)	28-Feb-25 Price (N)	Weekly USD Δ	28-Feb-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.73	100.47	-0.03	6.9%	0.01
6.50 NOV 28, 2027	28-Nov-17	2.75	97.45	0.09	7.5%	-0.03
6.125 SEP 28, 2028	28-Sep-21	3.58	93.36	0.02	8.3%	0.01
8.375 MAR 24, 2029	24-Mar-22	4.07	99.45	0.02	8.5%	0.00
7.143 FEB 23, 2030	23-Feb-18	4.99	93.46	-0.09	8.8%	0.02
8.747 JAN 21, 2031	21-Nov-18	5.90	99.18	-0.03	8.9%	0.01
7.875 16-FEB-2032	16-Feb-17	6.97	93.05	-0.22	9.3%	0.05
7.375 SEP 28, 2033	28-Sep-21	8.59	88.26	-0.32	9.4%	0.07
7.696 FEB 23, 2038	23-Feb-18	12.99	84.57	-0.17	9.8%	0.03
7.625 NOV 28, 2047	28-Nov-17	22.76	79.61	-0.21	9.9%	0.03
9.248 JAN 21, 2049	21-Nov-18	23.91	93.75	-0.10	9.9%	0.02
8.25 SEP 28, 2051	28-Sep-21	26.60	83.52	-0.17	10.0%	0.03

Weekly Stock Recommendations as at Friday, February 28, 2025

Stock	Current EPS	Forecast EPS	BV/S	P/B Ratio	P/E Ratio	52 WKs' High	52 WKs' Low	Current Price	Price Target	Short term Stop Loss	Short term Take Profit	Potential Upside	Recommendation
ACCESSCORP	12.40	14.38	92.87	0.28	2.07x	28.9	15.95	**25.60**	**32.0**	21.8	29.6	24.51	Buy
NASCON	4.42	3.53	13.48	3.34	10.18x	73.00	9.50	**40.00**	**62.0**	38.3	51.8	37.78	Buy
GTCO	38.41	43.53	94.00	0.65	1.59x	64.00	32.35	**61.20**	**79.0**	51.9	70.2	29.51	Buy
DANGOTE SUGAR	-15.18	-14.17	8.74	4.69	-2.70x	76.7	28.55	**41.00**	**55.0**	34.9	47.2	34.15	Buy
LAFARGE	6.22	6.99	31.33	2.39	12.06x	78.55	29.00	**75.00**	**97.0**	63.8	86.3	29.33	Buy
OKOMUOIL	35.93	38.17	53.06	10.18	15.03x	540.1	243	**545.00**	**712.0**	459.1	621.1	31.83	Buy

U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, February 28, 2025

MAJOR	28-Feb-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0411	1.0398	0.13%	-0.46%.	-0.10%.	-3.63%.
GBPUSD	1.2604	1.2600	0.03%	-0.22%.	1.25%	-0.14%.
USDCHF	0.9017	0.8997	0.22%	0.36%	-0.54%.	2.01%
USDRUB	89.2957	87.6996	1.82%	0.91%	-10.02%.	-2.40%.
USDNGN	18.5476	18.4223	0.68%	-0.21%.	-3.49%.	-7.27%.
USDZAR	18.5476	18.4223	0.68%	1.19%	0.17%	-3.44%.
USDEGP	50.6517	50.6112	0.08%	0.23%	0.95%	64.17%
USDCAD	20.48	20.4868	-0.01%.	1.39%	0.06%	6.29%
USDMXN	20.48	20.4868	-0.01%.	0.19%	-0.26%.	20.01%
USDBRL	5.86	5.8418	0.38%	2.22%	0.06%	17.89%
AUDUSD	0.5605	0.5639	-0.60%.	-2.25%.	-0.25%.	-4.32%.
NZDUSD	0.5605	-0.0600	-0.60%.	-2.36%.	-0.89%.	-7.94%.
USDJPY	7.2925	7.3013	-0.12%.	1.00%	-2.84%.	0.57%
USDCNY	7.2925	7.3013	-0.12%.	0.56%	0.36%	1.20%
USDINR	87.4090	87.3304	0.09%	0.88%	0.94%	5.45%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, February 28, 2025

Commodity		28-Feb-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	69.8	70.3	-0.76%.	-0.90%.	-3.93%.	-9.92%.
BRENT	USD/Bbl	72.9	73.6	-0.89%.	-2.08%.	-3.61%.	-10.22%.
NATURAL GAS	USD/MMBtu	3.9	9.8	-1.17%.	-5.89%.	22.58%	93.52%
GASOLINE	USD/Gal	2.2	2.2	-0.75%.	9.45%	9.20%	-13.50%.
COAL	USD/T	100.1	102.4	-2.25%.	-3.29%.	-12.99%.	-23.59%.
GOLD	USD/t.oz	2,846.8	2,875.5	-1.00%.	-3.03%.	3.08%	39.24%
SILVER	USD/t.oz	31.1	31.2	-0.46%.	-4.41%.	0.67%	37.09%
WHEAT	USD/Bu	545.8	546.7	-0.18%.	-7.50%.	-2.98%.	-5.29%.
PALM-OIL	MYR/T	4,553.0	4,508.8	0.98%	-2.38%.	6.33%	14.69%
COCOA	USD/T	8,867.2	9,016.9	-1.66%.	-2.36%.	-24.05%.	37.17%