Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

DOMESTIC ECONOMY: Inflation Makes a Forceful Reversal to 24.23% in March 2025 on Festive Blues...

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MONEY MARKET: Robust Liquidity Meets Tight Conditions as Investors Brace for Treasury Auctions...

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BOND MARKET: Bullish Sentiment Sweeps Fixed Income Market as Yields Retreat Across Local and Eurobond Curves…..

Looking into the coming week, the current bullish trend in the fixed income space is likely to persist. Investor appetite remains firm, spurred by the relative attractiveness of yield levels amid a volatile global macro backdrop. Nonetheless, attention will turn to evolving developments in the global oil market and international trade dynamics, both of which could potentially recalibrate risk sentiment and prompt yield realignment……

EQUITIES MARKET: Profit-Taking, Inflation Jitters Weigh on Equities as Investors Loss N207.1bn, ASI Dips 0.32% w/w...

Looking ahead, the outlook for the local bourse leans cautiously optimistic. As the dividend season progresses and more companies unveil their Q1 earnings scorecards, we anticipate renewed investor interest, potentially fuelling a short-term rally. Nonetheless, we advise market participants to maintain a strategic focus on fundamentally sound equities, particularly in light of prevailing macroeconomic uncertainties…

DOMESTIC ECONOMY: Inflation Makes a Forceful Reversal to 24.23% in March 2025 on Festive Blues……

Latest NBS report on Nigeria's CPI shows that in March 2025, the headline inflation rate rose to 24.23% relative to the February 2025 headline inflation rate of 23.18% and ahead of Cowry's projection for 23.40% for March 2025. Looking at the movement, this comes following two consecutive months of downtrend after the CPI rebasing efforts and the March 2025 headline inflation rate showed an increase of 1.05% compared to the February 2025 headline inflation rate and was due to factors such as currency depreciation, price hikes from seasonal purchases and increase in PMS.

Month-on-month, the inflation rate climbed by 3.90% in March 2025, representing a 1.85 percentage points higher than the 2.04% recorded in February. This steep month-on-month acceleration suggests that not only are prices high on a year-on-year basis, but the rate of change is intensifying in the short term. The implication is clear: inflation is not just stubbornly high, it is also speeding up. This reveals the impact of cost-push factors, supply-side rigidities, and weakening currency fundamentals.

At the divisional level, Food and Non-Alcoholic Beverages remained the largest contributor to the headline index, accounting for over 50% of the divisional drivers. Other notable contributors include Restaurants and Accommodation Services (2.99%), Transport (2.47%), and Housing, Water, Electricity, Gas, and Other Fuels (1.95%). These categories directly impact daily living and indicate broad-based inflationary pressures across essential consumption items. Education (1.44%) and Health (1.40%) also showed significant contributions, reflecting deeper cost-of-living concerns and rising service sector inflation.

Food inflation remained a key concern. On a year-on-year basis, it stood at 21.79% in March 2025. Month-on-month, food inflation rose to 2.18%, up from 1.67% in February. The uptick was driven by increases in the average prices of staple items and core elements of the Nigerian food basket such as fresh ginger, yellow garri, Ofada rice, honey, crabs, potatoes, plantain flour, periwinkle, and fresh pepper. Rising costs in these staple items amplify food insecurity and erode household purchasing power.

Core inflation, which excludes volatile agricultural products and energy prices, stood at 24.43% year-on-year in March 2025. On a month-on-month basis, core inflation surged to 3.73%, 1.21 percentage points higher than the 2.52% recorded in February. The rise in core inflation is particularly concerning as it reflects underlying inflationary pressures not tied to seasonal food volatility. It also implies a higher level of price persistence, suggesting that inflationary expectations are becoming more entrenched. This complicates the Central Bank's task of price stabilization and raises the risk of prolonged inflationary cycles.

At the state level, the data revealed widening regional disparities in price trends. Kaduna (33.33%), Osun (32.08%), and Kebbi (30.74%) recorded the highest headline inflation rates on a year-on-year basis, indicating intense cost pressures in the northern and southwestern belts. Conversely, Akwa Ibom (12.81%), Bayelsa (14.02%), and Sokoto (14.83%) recorded the lowest year-on-year increases, suggesting more subdued inflation in parts of the south-south and far north.

On a month-on-month basis, Kaduna (18.85%), Osun (16.49%), and Oyo (14.44%) recorded the sharpest inflation spikes, far above the national average, while Sokoto (-8.66%), Nasarawa (-4.38%), and Kwara (-3.69%) recorded rare month-on-month deflations. This divergence in short-term price behaviour likely reflects differences in state-level supply chains, local market dynamics, and possibly administrative interventions.

Food inflation by state also presented a mixed picture. Oyo (34.41%), Kaduna (31.14%), and Kebbi (30.85%) posted the highest year-on-year food inflation rates, again reinforcing the narrative of regionally concentrated price shocks. On a month-on-month basis, food inflation was highest in Oyo (19.74%), Kaduna (17.24%), and Kebbi (14.03%), while Sokoto (-14.10%), Nasarawa (-9.91%), and Edo (-5.78%) recorded sharp declines in food price growth, likely reflecting seasonal food availability or localized price corrections.

The March 2025 inflation data paints a worrying picture of reversal in prices, persistent core inflation, and regional inflation divergence. Domestically, food inflation is expected to rise significantly, driven largely by seasonal supply tightening and the worsening security situation in key agricultural belts such as Niger, Zamfara, and Katsina, where farmer-herder clashes and banditry continue to disrupt cultivation and transportation. In the external environment, the global oil price slump, triggered by lower demand projections from China and other major economies, has weighed on Nigeria's oil earnings and foreign exchange inflows. As Brent crude recently dipped to $65 per barrel, this has put fiscal and external pressures on the economy, reducing the Central Bank's buffers and stoking imported inflation.

Elsewhere, the rising energy costs will continue to feed into transport fares, logistics costs, and service pricing, housing, and essential services costs as the recent decline in global crude oil prices would typically be expected to influence lower PMS prices and ease inflationary pressures, this effect is unlikely to materialize fully in Nigeria. This is because the deregulation of the downstream sector remains partial, and the domestic pricing of petrol still reflects import costs, exchange rate dynamics, and distribution inefficiencies. Given the ongoing naira depreciation and Nigeria's reliance on refined fuel imports, lower crude prices have not significantly translated to cheaper petrol at the pump.

Cowry Research projects that headline inflation will rise to approximately 25.1% in May 2025, reflecting the deepening cost-push inflationary pressures that have persisted since the start of the year. The upward rise is driven by a combination of structural domestic vulnerabilities and emerging global headwinds.

FOREX MARKET: Oil Markets Eye Gains Amid Sanctions Shock, as Naira Treads Water in Volatile FX Landscape ...

Crude oil prices appeared poised for a weekly gain earlier today, buoyed by geopolitical developments and adjusted supply forecasts. The catalyst for the upward momentum came as the United States government announced fresh sanctions targeting Chinese firms engaged in crude oil trading with Iran—a move expected to tighten global supply chains and inject a fresh layer of uncertainty into oil markets.

In a related development, the International Energy Agency (IEA) released its latest monthly oil market report, in which it revised its global supply growth projections downward. The agency now expects global oil supply to increase by 1.2 million barrels per day (bpd) in 2025, representing a downward revision of 260,000 bpd from the previous month's forecast. The IEA attributed this adjustment primarily to weaker production figures from the United States and Venezuela, both of which are grappling with internal constraints on output.

Back home, Nigeria's benchmark crude grade, Bonny Light, edged higher by 1.95% on a week-on-week basis, closing at $68.60 per barrel. The modest gain reflects a favourable outlook for oil demand in 2025, as noted in the IEA's latest commentary. However, despite the price uptick, Nigeria's external reserves continued their worrying descent. The gross foreign exchange (FX) reserves declined by a further 0.29% week-on-week, closing at $37.89 billion as of Wednesday. This sustained depletion is largely attributable to persistently weak FX inflows, which have limited the Central Bank's capacity to rebuild buffers.

In the foreign exchange market, the naira exhibited divergent performance across different market segments. The Central Bank of Nigeria (CBN) continued its interventionist stance, implementing weekly FX defence strategies aimed at stabilising the naira amidst pronounced volatility and persistent demand-side pressures. At the official market window, these efforts yielded modest results: the naira appreciated by 0.24% over the week, closing at N1,599.94 per US dollar on Thursday, compared to N1,603.78 the previous week.

However, sentiment in the parallel market painted a more fragile picture. There, the naira depreciated significantly by 4.66% week-on-week, ending the week at an average rate of N1,610 per dollar. This discrepancy between the official and unofficial market rates underscores the sustained demand pressure on the local currency, particularly from importers and informal market participants, who often struggle to access official FX channels.

To cushion the impact of market imbalances, the CBN announced earlier in the week that it had injected $150 million into the FX market to ease liquidity constraints. This followed a prior disbursement of $635 million to authorised dealer banks—a clear signal of the apex bank's commitment to bolstering FX liquidity and safeguarding the value of the naira against speculative pressures.

Looking ahead to the coming week, we anticipate a gradual easing of foreign exchange pressures as the Central Bank maintains its programme of weekly interventions. While volatility is expected to persist in the near term, consistent liquidity support could offer the naira a much-needed stabilising anchor, particularly if complemented by improved FX inflows and prudent fiscal coordination.

MONEY MARKET: Robust Liquidity Meets Tight Conditions as Investors Brace for Treasury Auctions…....

This week in the Nigerian money market, funding conditions remained notably robust, underpinned by sustained system liquidity and significant fiscal injections. The financial system opened the week with a net positive liquidity balance exceeding N130 billion, which was further buoyed by a N1.58 trillion disbursement from the Federation Account Allocation Committee (FAAC). This substantial inflow helped maintain an overall liquid posture in the system.

Despite these inflows, funding rates displayed a mixed pattern, largely reflecting constrained liquidity distribution and investor caution ahead of upcoming auctions. The Nigerian Interbank Offered Rate (NIBOR) for overnight funds climbed sharply by 2.64 percentage points over the week, closing at 29.50%. Similarly, the one-month, three-month and six-month NIBOR rates rose to 26.90%, 27.47% and 28.12% respectively. This upward trajectory suggests that, while liquidity remains available in aggregate, its flow across the financial system has been relatively limited—keeping interbank conditions tight.

On the other hand, the Nigerian Treasury Bills market (NITTY) recorded broad-based yield compression as market participants took a cautious stance in anticipation of next week's primary market auction. Investors largely remained on the sidelines, resulting in minimal secondary market activity. As a consequence, yields on NITTY instruments declined significantly across tenors. Specifically, the one-month, three-month, six-month and twelve-month instruments shed 18 basis points, 22bps, 29bps and 44bps respectively to settle at 18.49%, 18.99%, 20.37% and 23.48%.

Meanwhile, the secondary market for treasury bills was characterised by a bullish undertone, fuelled by renewed buy-side interest at both the short and long ends of the yield curve. This appetite for government securities drove the average yield on treasury bills lower by 15 basis points over the week, closing at 20.90%. The favourable sentiment can be attributed to investor repositioning strategies amid expectations of moderated yield levels in the near term.

Looking ahead, the Central Bank of Nigeria (CBN) is scheduled to conduct a treasury bills auction in the coming week, offering a total of N400 billion across standard maturities. This supply will be met with maturities worth N369.78 billion, creating a net issuance gap of approximately N30.22 billion. Given the prevailing liquidity conditions and anticipated investor interest, next week's auction is likely to attract significant participation and will provide critical signals for the near-term direction of short-term interest rates.

BOND MARKET: Bullish Sentiment Sweeps Fixed Income Market as Yields Retreat Across Local and Eurobond Curves…..

The Nigerian fixed income market recorded a strong wave of positive sentiment this week, both locally and in the international space, as investors showed renewed confidence by positioning with robust buy-side interest—particularly along the longer end of the curve.

On the domestic front, despite a measure of cautiousness among market participants awaiting the release of the new bond issuance calendar for the quarter, the secondary market for Nigerian sovereign bonds saw bullish momentum prevail. This enthusiasm helped to push average yields on plain vanilla bonds lower by a significant 62 basis points on a week-on-week basis, settling at 18.26%.

Meanwhile, the international market for Nigerian Eurobonds mirrored this optimistic tone, with positive buy sentiment evident across the short, medium, and long ends of the curve. Average Eurobond yields compressed by a notable 113 basis points over the week, declining to 10.58% from the previous week's level of 11.71%.

The broad-based rally can be linked to investor reactions to recent global geopolitical developments, including a temporary 90-day pause in tariff escalation that had earlier heightened risk aversion. The resolution—or at least de-escalation—of these tensions brought relief to emerging market assets, with Nigeria's sovereign notes among the primary beneficiaries.

Looking into the coming week, the current bullish trend in the fixed income space is likely to persist. Investor appetite remains firm, spurred by the relative attractiveness of yield levels amid a volatile global macro backdrop. Nonetheless, attention will turn to evolving developments in the global oil market and international trade dynamics, both of which could potentially recalibrate risk sentiment and prompt yield realignment.

EQUITIES MARKET: Profit-Taking, Inflation Jitters Weigh on Equities as Investors Loss N207.1bn, ASI Dips 0.32% w/w…...

This past week, the Nigerian stock market witnessed notable volatility, with widespread sell-offs across the financial services sector driving the benchmark All-Share Index (ASI) lower. The index declined by 0.32% on a week-on-week basis, settling at 104,233.81 points. This retreat was largely driven by a wave of sector rotation and profit-taking activity, particularly in weaker counters, as investors repositioned ahead of the Easter holidays and absorbed the implications of fresh macroeconomic data.

Of particular concern was the March 2025 inflation report, which showed a surprising reversal in the disinflation trend observed in the previous two months. Headline inflation surged to 24.23%, prompting investors to reassess the macroeconomic outlook and its potential impact on corporate earnings and consumer demand.

In tandem with the index decline, the total market capitalisation of listed equities fell by the same margin—0.32%—to N65.49 trillion. This translated into a market value erosion of approximately N207.1 billion within just four trading sessions, reflecting a clear tug-of-war between bullish and bearish forces, each dominating in two sessions respectively. As a result, the year-to-date return of the market moderated to 1.27%, highlighting increasingly fragile investor sentiment amidst negative market internals.

The onset of the earnings season added a new dynamic to the market narrative. Several corporates began releasing their audited financial statements for the full year 2024—Access Holdings Plc among them—while others unveiled their Q1 2025 performance scorecards. Encouragingly, dividend announcements remained largely robust, even as many companies disclosed their closed periods and schedules for annual general meetings.

Market breadth leaned decisively bearish, with the sentiment gauge dipping to 0.71x. This was evidenced by 44 declining stocks outpacing 31 gainers over the course of the week. Consequently, trading activity remained subdued, underpinned by weak volumes and persistent sell-side pressure. Weekly trading volume plummeted by 27.17% to 1.52 billion units, while the total transaction value declined by 18.81% to N43.01 billion. Similarly, the number of deals executed over the week dropped by 20.83% to 51,156.

A glance at sectoral performance reveals a mixed landscape. Of the tracked indices, two sectors advanced, two declined, and two remained largely unchanged due to subdued investor activity. The NGX Banking and NGX Insurance indices were the worst performers, shedding 5.43% and 2.34% respectively. Losses in bellwether banking names—GTCO, Zenith Bank, International Energy Insurance, Mutual Benefits Assurance, and UBA—contributed significantly to this underperformance.

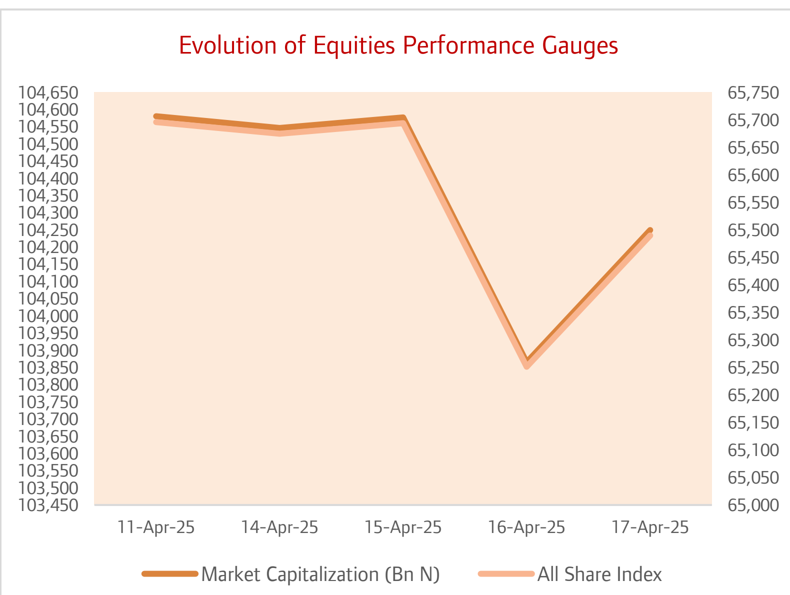
Conversely, the NGX Consumer Goods and NGX Oil and Gas indices posted respective gains of 2.40% and 0.20%, buoyed by positive momentum in Nigerian Breweries, Livestock Feeds, Unilever, Oando, and Eterna. Meanwhile, the NGX Industrial and NGX Commodities indices remained largely dormant, as investors adopted a wait-and-see approach in anticipation of further catalysts—most notably, the forthcoming unaudited Q1 2025 earnings results.

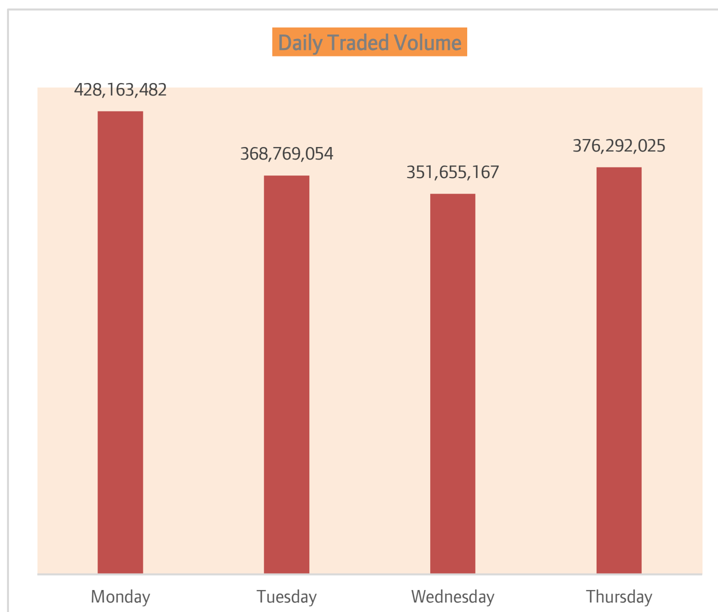
On the leaderboard of top-performing stocks for the week, ABBEY Mortgage Bank led the pack with a 46.2% gain, followed by notable advances in Nigerian Breweries (12.1%), ABC Transport (12.7%), Livestock Feeds (11.2%), and Unilever (9.7%). On the flip side, the laggards included GTCO (-13.2%), Zenith Bank (-11.9%), DAAR Communications (-11.1%), Caverton Offshore Support (-10.6%), and RT Briscoe (-10.4%).

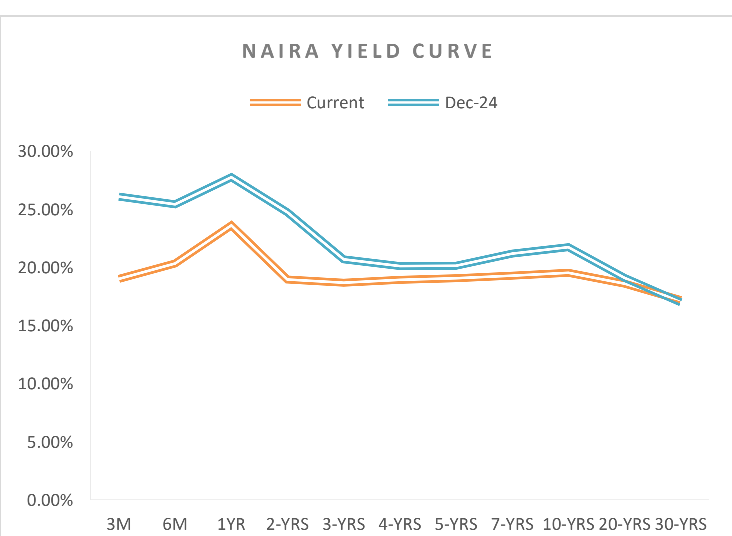
Looking ahead, the outlook for the local bourse leans cautiously optimistic. As the dividend season progresses and more companies unveil their Q1 earnings scorecards, we anticipate renewed investor interest, potentially fuelling a short-term rally. However, global market developments and local macroeconomic signals will continue to shape investor sentiment and market direction.

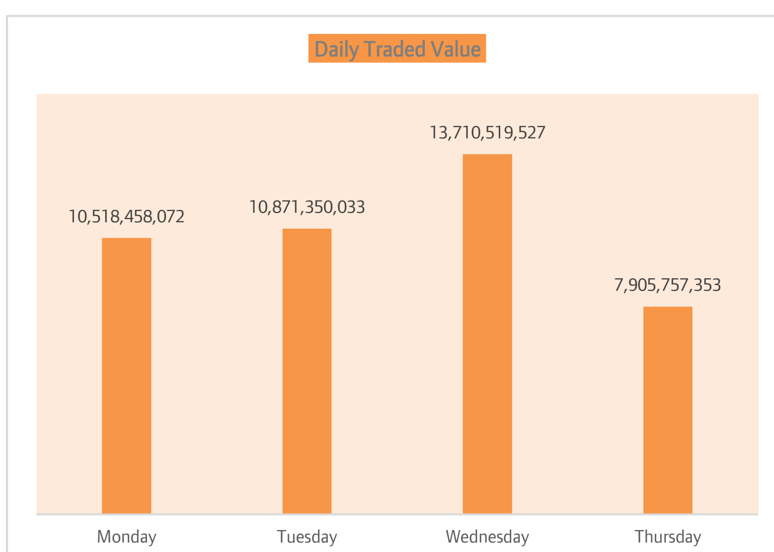
Weekly Top Gainers and Losers as at Thursday, April 17, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	**17-Apr-25**	**11-Apr-25**	**% Change**	**Symbol**	**17-Apr-25**	**11-Apr-25**	**% Change**
ABBEYBDS	8.96	6.13	46.2%	GTCO	59.00	68.00	-13.2%
NB	36.20	32.00	13.1%	ZENITHBANK	44.00	49.95	-11.9%
ABCTRANS	1.42	1.26	12.7%	DAARCOMM	0.56	0.63	-11.1%
LIVESTOCK	9.50	8.54	11.2%	CAVERTON	2.27	2.54	-10.6%
UNILEVER	38.05	34.70	9.7%	RTBRISCOE	1.90	2.12	-10.4%
VFDGROUP	96.00	87.70	9.5%	IMG	34.20	38.00	-10.0%
ETI	29.25	26.85	8.9%	NNFM	79.00	87.75	-10.0%
WEMABANK	11.95	11.00	8.6%	INTENEGINS	1.48	1.64	-9.8%
LEARNAFRCA	3.25	3.00	8.3%	MBENEFIT	0.85	0.94	-9.6%
ACCESSCORP	22.10	20.45	8.1%	CILEASING	3.27	3.60	-9.2%









FGN Eurobonds Yields Above 8% as at Thursday, April 17, 2025

FGN Eurobonds	Issue Date	TTM (years)	17-Apr-25 Price (N)	Weekly USD Δ	17-Apr-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.60	99.46	0.77	8.6%	-1.31
6.50 NOV 28, 2027	28-Nov-17	2.62	93.10	3.56	9.6%	-1.66
6.125 SEP 28, 2028	28-Sep-21	3.45	88.61	4.06	10.1%	-1.56
8.375 MAR 24, 2029	24-Mar-22	3.94	93.80	4.83	10.3%	-1.63
7.143 FEB 23, 2030	23-Feb-18	4.86	86.44	4.16	10.8%	-1.25
8.747 JAN 21, 2031	21-Nov-18	5.77	91.21	4.59	10.8%	-1.18
7.875 16-FEB-2032	16-Feb-17	6.84	85.65	4.67	10.9%	-1.12
7.375 SEP 28, 2033	28-Sep-21	8.45	80.87	4.47	10.9%	-0.97
7.696 FEB 23, 2038	23-Feb-18	12.86	76.78	4.47	11.1%	-0.83
7.625 NOV 28, 2047	28-Nov-17	22.63	71.60	4.42	11.1%	-0.74
9.248 JAN 21, 2049	21-Nov-18	23.78	83.49	4.18	11.3%	-0.62
8.25 SEP 28, 2051	28-Sep-21	26.47	73.63	4.26	11.4%	-0.71

Weekly Stock Recommendations as at Thursday, April 17, 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
ETI	27.66	30.08	151.5	0.19	1.06x	34.6	20	**29.25**	47.0	24.9	33.6	60.68	Buy
AIRTEL AFRICA	101.10	126.37	1,014	2.13	21.34x	2200	1887	**2,157**	2696.1	1,833	2,480	25.00	Buy
NIGERIAN BREWERIES	1.44	2.52	15	2.42	25.17x	36.3	22.6	**36.20**	63.4	30.8	41.6	75.00	Buy
MAY & BAKER	0.98	1.10	5.78	1.28	7.54x	11.15	5.08	**7.40**	11.4	6.3	8.5	54.32	Buy
FIDELITY BANK	6.65	7.65	21.48	0.90	2.89x	21.15	7.85	**19.25**	24.7	16.4	22.1	28.52	Buy

U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Thursday, April 17, 2025

MAJOR	11-Apr-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1369	1.1199	1.51%	3.83%	4.44%	6.88%
GBPUSD	1.3083	1.2969	0.88%	1.54%	0.93%	5.10%
USDCHF	0.8123	0.8245	-1.48%.	-5.56%.	-7.87%.	-11.11%.
USDRUB	83.7563	83.4975	0.31%	-0.87%.	-3.89%.	-10.35%.
USDNGN	19.2081	19.3689	-0.83%.	4.39%	4.44%	33.12%
USDZAR	19.2081	19.3689	-0.83%.	0.60%	4.89%	1.76%
USDEGP	51.3315	51.3212	0.02%	1.57%	1.41%	7.94%
USDCAD	20.40	20.4889	-0.44%.	-2.15%.	-3.22%.	1.00%
USDMXN	20.40	20.4889	-0.44%.	-0.25%.	0.96%	22.45%
USDBRL	5.91	5.8850	0.40%	1.09%	1.83%	15.41%
AUDUSD	0.5790	0.5753	0.64%	3.11%	-1.47%.	-3.61%.
NZDUSD	0.5790	-0.0600	0.64%	3.42%	1.13%	-2.45%.
USDJPY	7.2872	7.3091	-0.30%.	-2.66%.	-3.51%.	-6.63%.
USDCNY	7.2872	7.3091	-0.30%.	-0.13%.	0.63%	0.28%
USDINR	86.1640	86.2762	-0.13%.	0.72%	-1.16%.	3.04%

Global Commodity Prices as at 3:30 PM GMT+1, Thursday, April 17, 2025

Commodity		11-Apr-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	860.0	863.0	-0.35%.	-3.48%.	-11.60%.	-30.15%.
BRENT	USD/Bbl	63.1	63.3	-0.33%.	-3.71%.	-11.00%.	-30.19%.
NATURAL GAS	USD/MMBtu	3.5	9.8	-1.82%.	-8.90%.	-14.41%.	72.28%
GASOLINE	USD/Gal	2.0	2.0	0.17%	-5.04%.	-8.75%.	-29.86%.
COAL	USD/T	96.3	96.5	-0.26%.	-3.17%.	-8.25%.	-27.08%.
GOLD	USD/t.oz	3,229.2	3,189.0	1.26%	6.30%	9.88%	37.78%
SILVER	USD/t.oz	31.7	31.2	1.67%	7.42%	-4.54%.	14.02%
WHEAT	USD/Bu	548.5	538.0	1.95%	3.87%	-0.82%.	-1.17%.
PALM-OIL	MYR/T	4,226.0	4,200.8	0.60%	-2.38%.	-5.86%.	-1.24%.
COCOA	USD/T	8,338.3	8,136.5	2.48%	-1.76%.	1.78%	-22.94%.