

# Cowry Weekly Financial Markets Review & Outlook (CWR)



## Segment Outlook:

# Cowry Financial Markets Review, Outlook & Recommended Stocks

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DOMESTIC ECONOMY: MPC Holds Rates Steady Amid Mixed Inflation Jitters and External Headwinds....

At the conclusion of its two-day policy meeting on July 22, 2025, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) maintained the status quo on all monetary policy parameters—marking the third consecutive “hold” decision in 2025. This outcome aligns with our prior expectations for a pause, as the Committee continues to navigate a delicate balancing act between easing inflationary pressures and preserving exchange rate stability.

Specifically, the Committee voted to retain the Monetary Policy Rate (MPR) at 27.50%, the Cash Reserve Ratio (CRR) at 50.00% for Deposit Money Banks and 16.00% for Merchant Banks, and the Liquidity Ratio at 30.00%. In addition, the asymmetric corridor around the MPR was held at +500/-100 basis points. The MPC’s stance was driven by a cautious interpretation of recent macroeconomic data, particularly the moderation in headline inflation and evolving risks to price and currency stability.

Headline inflation slowed for the third consecutive month to 22.22% year-on-year in June 2025, down from 22.97% in May, marking its lowest level since April 2023. This moderation was largely supported by a relatively stable exchange rate regime, softening global and local energy prices, and the favourable base effect following the rebasing of Nigeria’s Consumer Price Index (CPI). However, despite the deceleration in annual terms, underlying inflationary pressure remains a concern. Month-on-

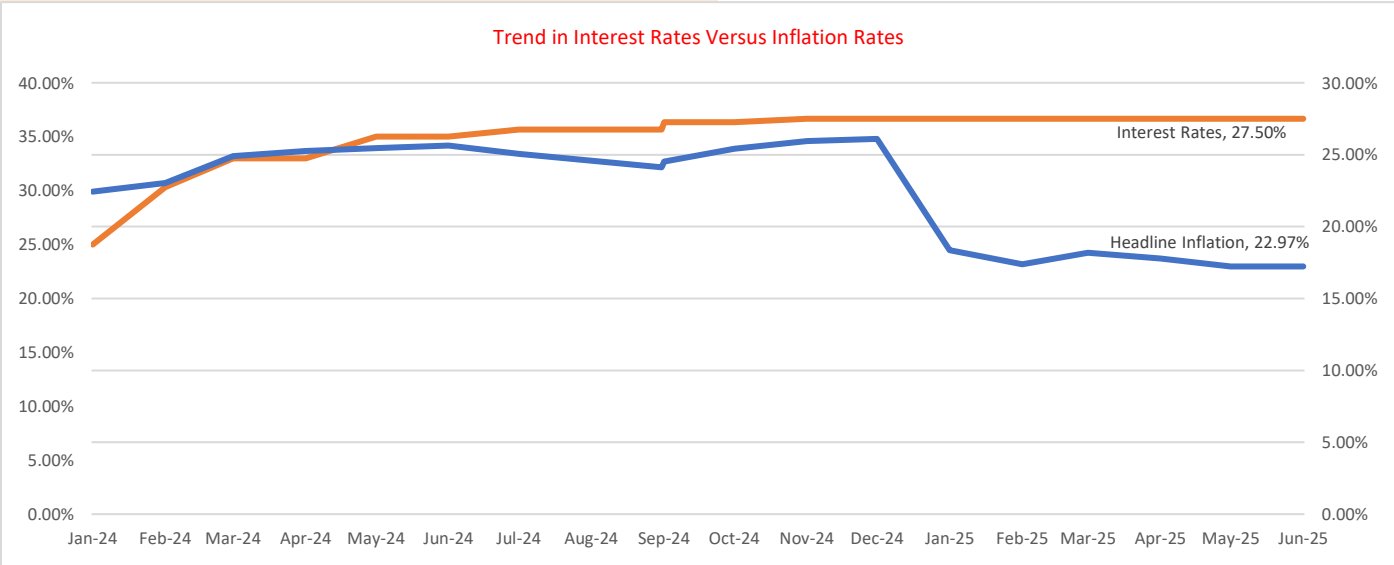
Although recent trends in annual headline inflation may have opened a window for a moderate rate cut — potentially in the range of 25bps to 100bps—the Committee opted for caution, given the persistent volatility in monthly inflation readings. In our view, the decision to hold rates also reflects the CBN’s broader objective of supporting exchange rate stability and attracting foreign capital inflows. A premature rate cut, at this point, could have undermined investor confidence and triggered capital reversals, potentially compounding FX liquidity constraints and placing renewed pressure on the naira.

Moreover, recent macroeconomic data from the National Bureau of Statistics (NBS) suggests that the economy is showing signs of positive, albeit moderate, growth. This leaves scope for further expansion if inflation continues to ease and the naira remains relatively stable. Therefore, we anticipate that the MPC may consider a rate cut in its next meeting if inflation continues to trend downward and FX stability is preserved. However, policymakers must weigh the trade-off between supporting economic growth and maintaining macroeconomic stability. A prolonged period of tight monetary conditions could undermine the country’s growth trajectory, especially as elevated interest rates disincentivise credit expansion, dampen investment appetite, and slow overall economic momentum.

month inflation climbed to 1.68% in June from 1.53% in May, indicating renewed demand-side and structural cost-push pressures.

Notably, the recent gains in headline inflation were undermined by a reversal in the food inflation trend. Year-on-year food inflation rose to 21.97% in June from 21.14% in May, while month-on-month readings surged by 1.07 percentage points to 3.25%. The spike in food prices was largely attributable to increases in key staples and agricultural commodities. Similarly, core inflation—which strips out volatile food and energy prices—climbed to 22.76% year-on-year in June, up from 22.28% in May, while accelerating month-on-month to 2.46% compared to 1.10% in the prior month. This sharp uptick signals persistent structural pressures driven by elevated transportation costs (linked to PMS price hikes), FX-linked input inflation, and continued infrastructure inefficiencies.

The Committee acknowledged that these inflationary pressures are now being increasingly driven by external forces. Risks such as rising global tariffs, ongoing geopolitical tensions in the Middle East, and broader global inflation trends were cited as potential triggers for imported inflation. Against this backdrop, the MPC viewed a “hold” decision as the most prudent course of action pending greater clarity in both domestic inflation dynamics and the global policy landscape.



EQUITIES MARKET: Bulls Tighten Grip as NGX Rockets Past 134k; Investors Pocket N1.8tn in a Week.....

This week, the domestic equities market sustained its bullish momentum as investors doubled down on risk assets, largely buoyed by robust corporate earnings and declining yields in the fixed income and money markets. The sharp drop in Treasury bill yields at the mid-week Primary Market Auction — a direct consequence of interest rate cut expectations — prompted a wave of portfolio reassessments, particularly in light of the Monetary Policy Committee’s (MPC) decision to maintain status quo on all policy parameters.

The NGX All Share Index advanced by 2.18% week-on-week, closing at 134,452.93 points, reflecting a strong wave of investor confidence and fresh buy-side activity across board. In lockstep, market capitalisation added N1.81 trillion or 2.18% to settle at N85.06 trillion, pushing the year-to-date return to 30.63%. Market breadth remained positive at 1.40x, underscoring the broad-based optimism as 60 stocks recorded gains against 43 decliners across the five trading sessions — one more than the prior four-day week.

However, activity levels saw a sharp contraction, with volume and value of trades plunging by 78.96% and 77.65% week-on-week, respectively. Total traded volume stood at 3.68 billion units, while turnover came in at N111.90 billion, down from 17.49 billion units and N500.76 billion in the preceding week.

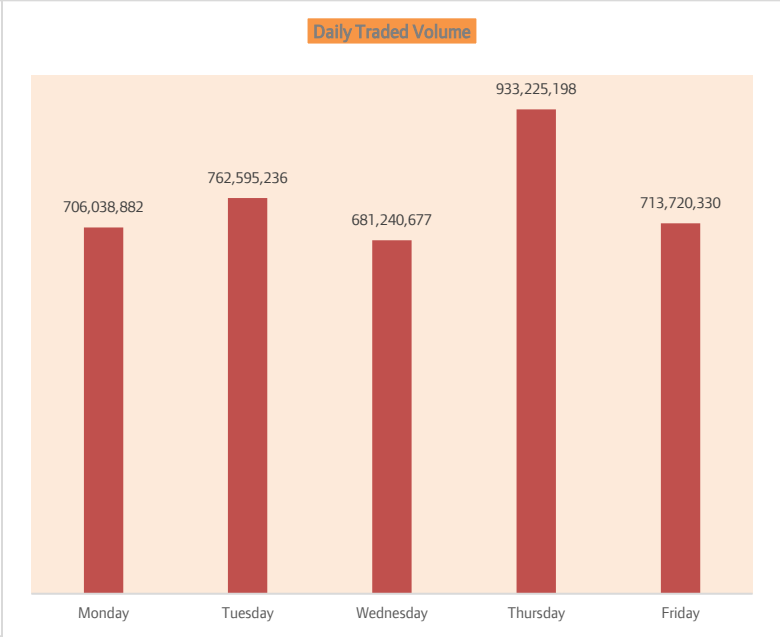
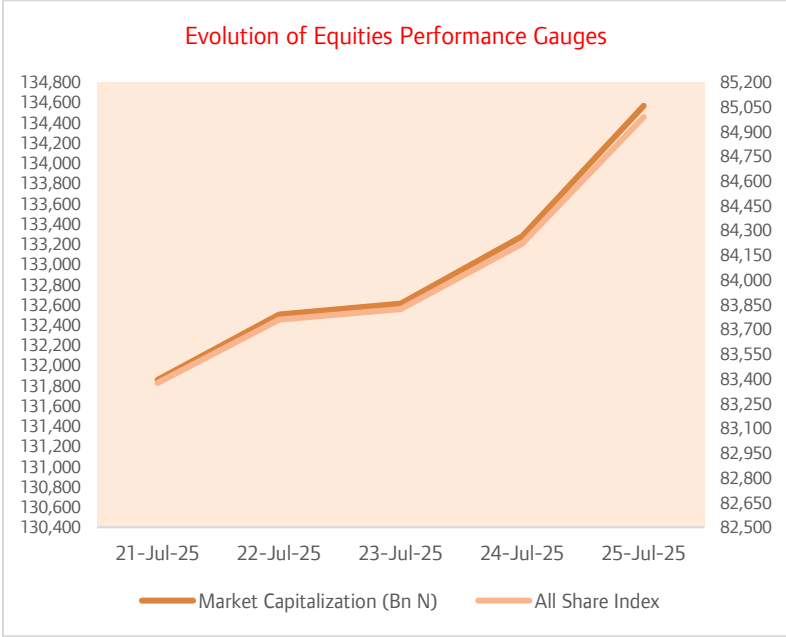
Looking ahead, we expect a mixed performance in the coming week, shaped by the ongoing release of corporate earnings and typical month-end window dressing activities. While some profit-taking may emerge, we anticipate continued interest in fundamentally strong counters, particularly as investors respond to the MPC’s decision and shifting yield dynamics across asset classes. As always, we advise investors to maintain exposure to high-quality stocks with strong fundamentals and consistent dividend outlook.

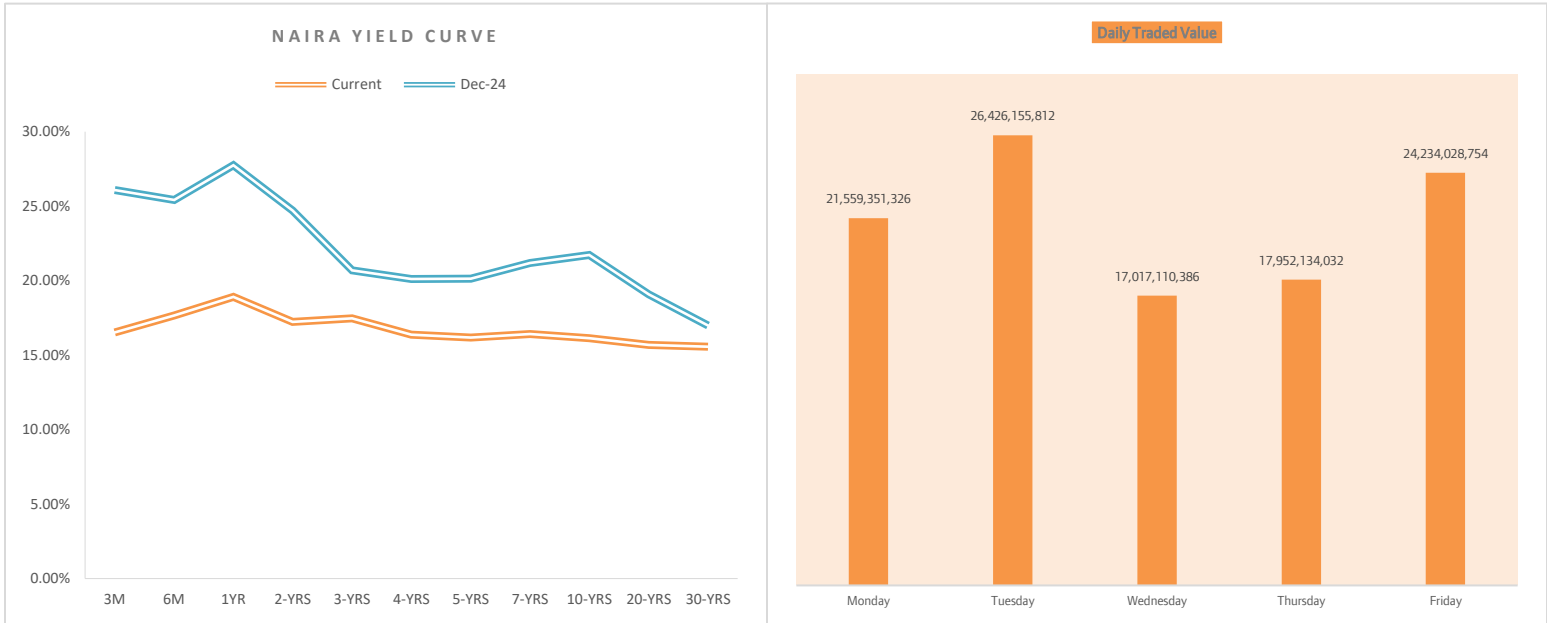
The significant drop in market activity suggests a cautious recalibration by institutional investors and portfolio managers ahead of month-end positioning.

Sectoral performance was broadly bullish, with all six key indices closing in positive territory. The NGX Industrial and NGX Insurance indices led the pack, posting week-on-week gains of 4.66% and 3.07%, respectively, driven by price appreciations in INTENEGINS, SOVRENINS, JBERGER, LAFARGE AFRICA, and BUA CEMENT.

The NGX Consumer Goods Index followed with a 2.81% uptick, while the NGX Commodity Index rose by 2.24%. NGX Banking and NGX Oil & Gas indices also recorded moderate gains of 1.84% and 0.87%, respectively, buoyed by buying interest in WEMABANK, OANDO, PRESCO, DANGOTE SUGAR, GUINNESS, and OKOMUOIL.

On the performance chart, The Initiate Plc topped the gainers' list with a 60.8% increase, followed by ACADEMY (+33.0%), ENAMELWA (+32.7%), WEMABANK (+23.6%), and PRESCO (+22.5%). Conversely, NSLTECH (-24.0%), OMATEK (-23.9%), MEYER (-21.4%), NEIMETH (-19.3%), and ABCTRANS (-18.8%) were the worst performers for the week.





Weekly Top Gainers and Losers as at Friday, July 25, 2025

| Top Ten Gainers |           |           |          | Bottom Ten Losers |           |           |          |
|-----------------|-----------|-----------|----------|-------------------|-----------|-----------|----------|
| Symbol          | 25-Jul-25 | 18-Jul-25 | % Change | Symbol            | 25-Jul-25 | 18-Jul-25 | % Change |
| TIP             | 16.13     | 10.03     | 60.8%    | NSLTECH           | 0.92      | 1.21      | -24.0%   |
| ACADEMY         | 9.31      | 7.00      | 33.0%    | OMATEK            | 1.24      | 1.63      | -23.9%   |
| ENAMELWA        | 27.00     | 20.35     | 32.7%    | MEYER             | 16.5      | 21        | -21.4%   |
| WEMABANK        | 19.9      | 16.1      | 23.6%    | NEIMETH           | 6.5       | 8.05      | -19.3%   |
| PRESCO          | 1,550.00  | 1,265.00  | 22.5%    | ABCTRANS          | 4.59      | 5.65      | -18.8%   |
| NGXGROUP        | 79.80     | 66.80     | 19.5%    | TRIPPLEG          | 3.51      | 4.32      | -18.8%   |
| INTENEGINS      | 2.38      | 2.00      | 19.0%    | THOMASWY          | 3.07      | 3.76      | -18.4%   |
| OANDO           | 60.05     | 50.50     | 18.9%    | UNIONDICON        | 9         | 10.8      | -16.7%   |
| NAHCO           | 117       | 99.95     | 17.1%    | TANTALIZER        | 2.46      | 2.95      | -16.6%   |
| SOVRENINS       | 1.57      | 1.35      | 16.3%    | HMCALL            | 4.3       | 5.14      | -16.3%   |

FGN Eurobonds Yields as at Friday, July 25, 2025

| FGN Eurobonds      | Issue Date | TTM (years) | 25-Jul-25<br>Price (N) | Weekly<br>USD Δ | 25-Jul-25<br>Yield | Weekly<br>PPT Δ |
|--------------------|------------|-------------|------------------------|-----------------|--------------------|-----------------|
| 7.625 21-NOV-2025  | 21-Nov-18  | 0.33        | 100.34                 | -0.05           | 6.4%               | 0.06            |
| 6.50 NOV 28, 2027  | 28-Nov-17  | 2.35        | 99.28                  | 0.34            | 6.8%               | -0.15           |
| 6.125 SEP 28, 2028 | 28-Sep-21  | 3.18        | 96.88                  | 0.95            | 7.2%               | -0.34           |
| 8.375 MAR 24, 2029 | 24-Mar-22  | 3.67        | 102.34                 | 1.11            | 7.6%               | -0.36           |
| 7.143 FEB 23, 2030 | 23-Feb-18  | 4.59        | 96.90                  | 1.01            | 8.0%               | -0.27           |
| 8.747 JAN 21, 2031 | 21-Nov-18  | 5.50        | 102.33                 | 1.28            | 8.2%               | -0.29           |
| 7.875 16-FEB-2032  | 16-Feb-17  | 6.57        | 96.82                  | 1.62            | 8.5%               | -0.33           |
| 7.375 SEP 28, 2033 | 28-Sep-21  | 8.18        | 91.59                  | 1.66            | 8.8%               | -0.31           |
| 7.696 FEB 23, 2038 | 23-Feb-18  | 12.59       | 88.14                  | 1.58            | 9.3%               | -0.23           |
| 7.625 NOV 28, 2047 | 28-Nov-17  | 22.36       | 80.85                  | 1.73            | 9.7%               | -0.23           |
| 9.248 JAN 21, 2049 | 21-Nov-18  | 23.51       | 94.56                  | 1.85            | 9.9%               | -0.21           |
| 8.25 SEP 28, 2051  | 28-Sep-21  | 26.19       | 84.67                  | 1.65            | 9.9%               | -0.20           |

Weekly Stock Recommendations as at Friday, July 25, 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 |
|------------------------|-------------|--------------|--------|-----------|-----------|--------------|-------------|---------------|--------------|----------------------|------------------------|------------------|----------------|
| DANGOTE CEMENT PLC     | 12.49       | 16.49        | 142.06 | 3.45      | 39.23x    | 591.10       | 349.20      | 493.00        | 646.8        | 416.5                | 563.5                  | 32.00            | Buy            |
| GTCCO PLC              | 7.45        | 10.44        | 87.25  | 1.07      | 12.48x    | 103.20       | 43.20       | 94.00         | 130.3        | 79.1                 | 107.0                  | 40.00            | Buy            |
| NIGERIAN BREWERIES PLC | 1.44        | 2.07         | 14.97  | 4.82      | 50.24x    | 75.00        | 25.25       | 72.10         | 104.0        | 61.4                 | 83.1                   | 44.00            | Buy            |
| MTN NIGERIA PLC        | 6.37        | 9.17         | -15.46 | -25.55    | 62.04x    | 400.00       | 169.00      | 400.00        | 568.8        | 335.8                | 454.3                  | 44.00            | Buy            |
| OKOMUOIL PLC           | 49.83       | 75.75        | 81.99  | 11.59     | 19.06x    | 950.00       | 321.2       | 998.00        | 1444.0       | 807.5                | 1092.5                 | 52.00            | Buy            |

U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, July 25, 2025

| MAJOR  | 25-Jul-25 | Previous | Δ from Last | Weekly | Monthly | Yearly |
|--------|-----------|----------|-------------|--------|---------|--------|
| EURUSD | 1.1706    | 1.1755   | -0.42%      | 0.74%  | 0.12%   | 7.85%  |
| GBPUSD | 1.3420    | 1.3508   | -0.65%      | 0.11%  | -2.23%  | 4.32%  |
| USDCHF | 0.7978    | 0.7949   | 0.37%       | -0.42% | -0.38%  | -9.71% |
| USDRUB | 79.4100   | 79.2515  | 0.20%       | 0.89%  | 0.84%   | -7.77% |
| USDNGN | 17.7853   | 17.6214  | 0.93%       | 0.15%  | -0.64%  | -3.32% |
| USDZAR | 17.7853   | 17.6214  | 0.93%       | 0.46%  | -0.21%  | -2.68% |
| USDEGP | 49.0600   | 49.0895  | -0.06%      | -0.71% | -1.68%  | 1.59%  |
| USDCAD | 18.56     | 18.5405  | 0.11%       | -0.03% | 0.50%   | -0.90% |
| USDMXN | 18.56     | 18.5405  | 0.11%       | -0.92% | -1.67%  | 0.59%  |
| USDBRL | 5.54      | 5.5203   | 0.42%       | -0.61% | 1.02%   | -1.96% |
| AUDUSD | 0.6005    | 0.6035   | -0.50%      | 0.78%  | 0.10%   | 0.10%  |
| NZDUSD | 0.6005    | -0.0600  | -0.50%      | 0.76%  | -0.92%  | 1.96%  |
| USDJPY | 7.1695    | 7.1523   | 0.24%       | -0.66% | 2.17%   | -3.85% |
| USDCNY | 7.1695    | 7.1523   | 0.24%       | -0.16% | 0.06%   | -1.29% |
| USDINR | 86.5130   | 86.4438  | 0.08%       | 0.40%  | 0.99%   | 3.31%  |

Global Commodity Prices as at 3:30 PM GMT+1, Friday, July 25, 2025

| Commodity   |           | 25-Jul-25 | Previous | Δ from Last | Weekly  | Monthly | Yearly  |
|-------------|-----------|-----------|----------|-------------|---------|---------|---------|
| CRUDE OIL   | USD/Bbl   | 66.0      | 66.0     | -0.07%      | -0.18%  | 1.06%   | -14.55% |
| BRENT       | USD/Bbl   | 69.2      | 69.2     | 0.02%       | -0.13%  | 3.75%   | -14.71% |
| NATURAL GAS | USD/MMBtu | 3.1       | 9.8      | 0.27%       | -13.03% | -12.07% | 54.56%  |
| GASOLINE    | USD/Gal   | 2.1       | 2.1      | -0.45%      | -2.19%  | -0.25%  | -14.24% |
| COAL        | USD/T     | 113.1     | 109.9    | 2.91%       | 2.35%   | 6.10%   | -18.28% |
| GOLD        | USD/t.oz  | 3,344.2   | 3,368.5  | -0.72%      | -0.17%  | 0.51%   | 40.18%  |
| SILVER      | USD/t.oz  | 38.9      | 39.1     | -0.47%      | 1.92%   | 6.11%   | 39.29%  |
| WHEAT       | USD/Bu    | 536.5     | 541.5    | -0.92%      | -1.70%  | 3.07%   | 2.58%   |
| PALM-OIL    | MYR/T     | 4,276.0   | 4,330.1  | -1.25%      | -0.93%  | 6.58%   | 8.50%   |
| COCOA       | USD/T     | 8,159.0   | 8,232.2  | -0.89%      | 4.71%   | -10.71% | 1.57%   |



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