

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) decided unanimously to maintain the Monetary Policy Rate (MPR) at 27.50% during its February meeting, marking the first pause in rate hikes since May 2022. This decision was influenced by a positive inflation outlook, driven by the appreciation of the naira and a steady decline in PMS prices. Additionally, the committee kept other key policy parameters unchanged, including the Cash Reserve Requirement (CRR) for Deposit Money Banks (DMBs) and Merchant Banks at 50.0% and 16.0%, respectively, an asymmetric corridor of +500bps/-100bps around the MPR, and a liquidity ratio of 30.0%.

According to the National Bureau of Statistics (NBS), Nigeria's consumer price index (CPI) was recorded at 24.48% year-on-year (y/y) in January following a rebasing exercise. The new CPI framework, based on COICOP 2018, now tracks 934 product varieties across 13 divisions. Key indices include the Urban and Rural National Index, Headline Index, Food Index, Core Index, and various subcategories. The weight reference period was set to 2023, while the price reference period (base year) is 2024. A breakdown of the data shows food inflation at 26.08% y/y, core inflation (excluding farm produce and energy) at 22.59% y/y, with urban and rural inflation at 26.09% and 22.15% y/y, respectively.

EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 0.41% week-on-week to settle at 108,497.40 basis points with interest seen in stocks such as ABBEYBDS (+16.13%), SMURFIT (+15.38%), DANGSUGAR (+15.00%) and BUAFODS (+11.91%).

Consequently, the Month-To-Date (MTD) return appreciated by +3.83%. The Year-To-Date (YTD) return remained positive settling at to +5.41% for the week. Market Capitalization settled at 67.61trn Naira at the close of the trading session.

Sector performance was mixed last week as the NGX- Consumer Goods Index and NGX-Industrial Index increased by (+6.55%) and (+0.05%). NGX-Banking Index and NGX-Oil/Gas depreciated by (-3.22%) and (-2.87%) respectively.

GLOBAL ECONOMY

In the UK, headline inflation rose to a 10-month high of 3.0% y/y in January, up from 2.5% in December, according to the Office for National Statistics (ONS). The increase was mainly driven by rising transport costs (+1.7% y/y) due to higher airfares and fuel prices, as well as a 20% VAT on private school fees, which pushed education costs up by 7.5% y/y. Food inflation also rose to 3.3% y/y, while core inflation increased to 3.7% y/y. Meanwhile, energy inflation dropped further into negative territory at -6.6% y/y. On a month-on-month basis, consumer prices declined by 0.1% in January.

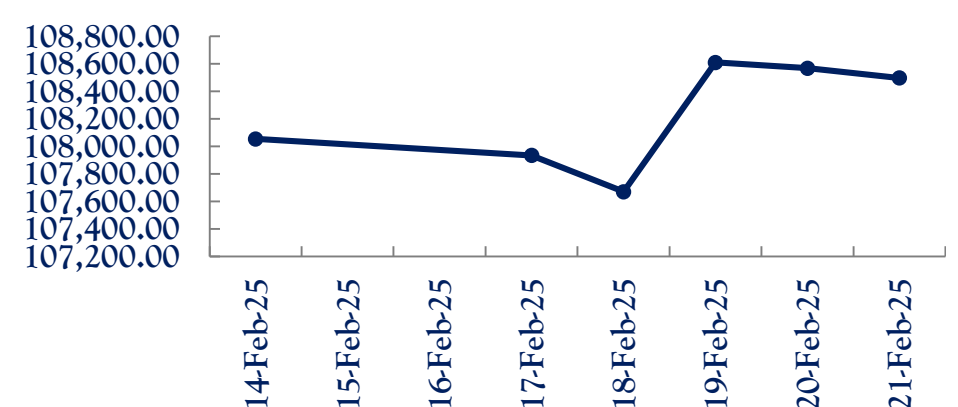
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.46%	3.19%
Unemployment	33.3%	33.3%
MPR	27.50%	27.50%
External Reserve	\$40.40billion	\$40.09 billion
Inflation	24.48%	38.8%

KEY METRICS

Metrics	Outcome
All-Share Index	108,497.40
WTD	0.41%
MTD	3.83%
YTD	5.41%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	67.61

FIG 1: NGX ALL SHARE INDEX - 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 14-02-2025	Wk. Close 21-02-2025	% WTD	% YTD
NGX-Banking	1,242.75	1,202.73	-3.22	10.90
NGX-Industrial	3,636.85	3,638.55	0.05	1.86
NGX Oil/Gas	2,621.62	2,546.46	-2.87	-6.11
NGX-Consumer Goods	1,732.99	1,846.47	6.55	6.63

GLOBAL MARKET

Global stock markets faced risk-off sentiment due to geopolitical tensions, trade uncertainties, disappointing corporate earnings, and key economic data from Japan and the UK, which dampened investor confidence.

The Nasdaq depreciated by -2.51%. Likewise the Dow Jones and S&P 500 depreciated (-2.51%) and (-1.66%) respectively.

European market, the CAC 40 depreciated (-0.68%). FTSE 100 and Euro STOXX depreciated by (-1.14%) and (-0.94%) respectively.

In the Asian market, the China A50 and Hang Seng appreciated by (+0.21%) and (+3.21%) respectively. Nikkei 225 declined by (+2.05%).

MONEY MARKET AND FIXED INCOME

MONEY MARKET

The Nigerian Treasury Bills (NTB) market remained tight mid-week, keeping interbank rates elevated. The Open Repo Rate (OPR) dropped slightly by 37bps to 32.33%, while the Overnight Rate (O/N) increased by 9bps to 32.83%.

We expect rate to remain at current levels.

FGN BONDS AND TREASURY BILLS

The bond market responded positively to the lower January inflation figures, leading to strong demand across bonds. As a result, the average benchmark yield declined by 337bps week-on-week to 19.08% from 19.74% previously.

We anticipate selective buying after the bond auction.

Investor confidence improved due to lower inflation, driving increased bids across Treasury Bills. Consequently, the average benchmark yield fell by 831bps (W-o-W) to 20.23% from 22.06% in the previous week. The trend extended to the Open Market Operations (OMO) bill market, where the average yield declined by 603bps to 24.69%.

Nigerian Treasury Bill Auction

The Debt Management Office (DMO) offered N700bn in Treasury Bills, receiving an oversubscription of N2,408.35bn, primarily driven by demand for the 364-day paper (N2,296.33bn). Eventually, N774.13bn was sold, 11% higher than the initial offer. The decline in inflation contributed to a drop in stop rates for 91-day, 182-day, and 365-day bills to 17.00%, 18.00%, and 18.43%, respectively, from previous levels of 18.00%, 18.50%, and 21.80%.

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
ABBEYBDS	3.10	3.60	0.50 ▲	16.13
SMURFIT	0.26	0.30	0.04 ▲	15.38
DANGSUGAR	36.00	41.40	5.40 ▲	15.00

TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
UNIONDICON	8.00	6.00	-2.00 ▼	-25.00
IKEJAHOTEL	14.00	11.00	-3.00 ▼	-21.43
UPDC	3.78	3.10	-0.68 ▼	-17.99

FGN BOND

Maturity	Bid Yield	Offer Yield
NIGB 12.500% JAN 26	22.20%	21.85%
NIGB 16.2884% MAR 27	21.35%	20.20%
NIGB 19.94% MAR 27	21.30%	20.20%
NIGB 13.98% FEB 28	21.05%	20.05%
NIGB 14.55% APR 29	20.40%	20.20%
NIGB 19.30% APR 29	20.00%	19.55%
NIGB 18.50% FEB 31	20.50%	20.00%
NIGB 12.50% APR 32	18.75%	18.25%
NIGB 14.70% JUN 33	21.35%	21.00%
NIGB 19.89% MAY 33	21.10%	20.15%
NIGB 12.149% JUL 34	18.75%	18.40%
NIGB 19.00% FEB 34	21.55%	20.00%
NIGB 12.50% MAR 35	18.70%	18.40%
NIGB 22.60% JAN 35	19.25%	17.50%
NIGB 12.40% MAR 36	18.80%	18.30%
NIGB 16.25% APR 37	19.50%	19.20%
NIGB 15.45% JUN 38	19.50%	19.35%
NIGB 13.00% JAN 42	19.75%	19.15%
NIGB 14.80% APR 49	17.55%	17.20%
NIGB 12.98% MAR 50	18.30%	17.75%
NIGB 15.70% JUN 53	18.00%	17.00%

FOREIGN EXCHANGE

The naira appreciated by 0.6% to NGN1,501.08/USD at the Nigerian Foreign Exchange Market (NFEM) following the CBN’s intervention, which involved selling USD66.80 million to authorized dealers. However, FX reserves fell by USD300.11 million week-on-week to USD38.74 billion as of February 20, marking the sixth consecutive week of decline.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude depreciated by -0.78% w/w to close at \$71.03 per barrel. While, Gold appreciated by +12.08% to close at \$2,940.90 from \$2895.40.

Accordingly, the OPEC Basket price closed at \$75.07per barrel for the week indicating a -2.98% weekly loss.

TOP BUSINESS HEADLINES FOR THE WEEK

- Personal loans rose to N3.3tn in November – CBN
- FG to explore non-oil revenue sources – Edun
- Tinubu to sign investment bill within 30 days – NASS
- Money supply hits N110.9tn as MPC meets
- Govt won’t engage in crude oil price-fixing – NUPRC.

INTERBANK OFFERED RATE

	14-Feb-2025	21-Feb-2024	Change(%)
OPR	32.45	32.33	-0.37
OVN	32.80	32.83	0.09

OIL & COMMODITIES PRICES

Instrument	14-Feb-2025	21-Feb-2025	Change (%)
Brent Crude	\$74.31	\$75.07	0.89
WTI Oil	\$70.71	\$71.03	-0.78
Gold	\$2,895.40	\$2,940.90	12.08

FOREIGN EXCHANGE (Spot & Forward rate

Currency	Closing Rate (\$/N)
NAFEM Window	1,501.08
GBP	1921.10
EUR	1593.30
CAD	1054.55

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