

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

The Nigerian Senate has passed four key tax reform bills: (1) the Nigeria Revenue Service (Establishment) Bill, (2) the Nigeria Tax Administration Bill, (3) the Nigeria Tax Bill 2024, and (4) the Joint Revenue Board (Establishment) Bill. These reforms aim to enhance tax administration, ease compliance, and increase government revenue. Notable features include the formation of a unified tax authority, standardization of tax regulations across different government tiers, and the merging of existing tax laws. The newly proposed Joint Revenue Board will oversee revenue collection efforts between federal and state governments.

A significant change is the revision of the VAT sharing formula to reflect the "place of consumption" principle, allocating 10.0% to the Federal Government (down from 15.0%), 55.0% to States (up from 50.0%), and maintaining 35.0% for Local Governments. The Senate retained the VAT rate at 7.5%, rejecting the proposed increase to 10.0%. Additionally, the bills introduce tougher penalties for tax-related offences, including fines for non-registration or non-filing of returns and up to three years' imprisonment for severe breaches. The legislation will now proceed to a joint Senate and House of Representatives committee for harmonization before final approval and presidential assent.

EQUITIES

The local bourse ended the week on a positive note as the All Share Index (NGX ASI) appreciated by 2.54% week-on-week to settle at 108,733.40 basis points with interest seen in stocks such as MULTIVERSE (+57.48%), ACADEMY (+50.52%), BETAGLAS (+46.31%) and TIP (+34.95%).

Consequently, the Month-To-Date (MTD) return appreciated by +2.77%. The Year-To-Date (YTD) return remained positive settling at to +5.64% for the week. Market Capitalization settled at 68.33trn Naira at the close of the trading session.

Sector performance was bullish last week as the NGX-Banking Index and NGX- Consumer Goods Index appreciated by (+3.09%) and (+5.41%) respectively. Likewise NGX-Industrial Index and NGX-Oil/Gas appreciated by (+1.09%) and (+3.98%).

GLOBAL ECONOMY

The Bank of England’s Monetary Policy Committee (MPC) narrowly voted, 5 to 4, to lower the bank rate by 25 basis points to 4.25% from 4.50%. The move reflects growing concerns about weakening economic growth, with the BoE highlighting slower global expansion and the expected impact of new import tariffs as significant risks. While GDP has shown resilience and wage growth is easing, the Committee remains split on inflation expectations. Two members favored maintaining the current rate until clearer signs emerge on services inflation and core price trends. Conversely, two members supported a larger 50bps cut, and four backed the 25bps reduction, arguing that maintaining restrictive policy for too long could unnecessarily dampen economic activity, especially with the labor market softening and wage growth decelerating.

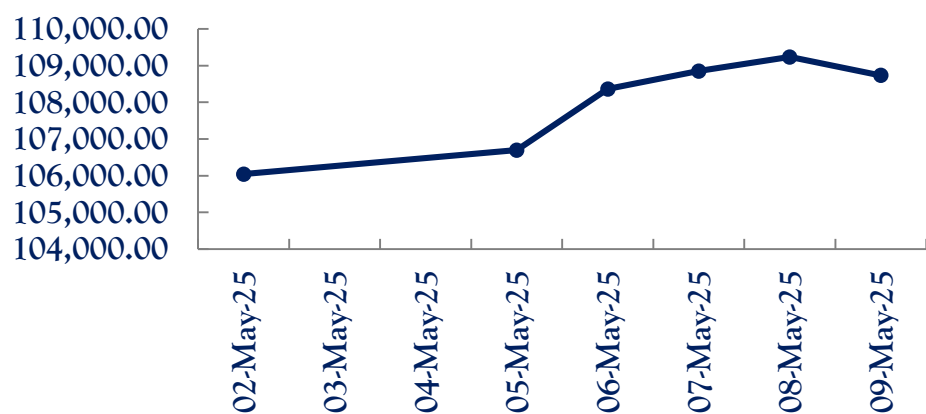
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.84%	3.48%
Unemployment	33.3%	33.3%
MPR	27.50%	27.50%
External Reserve	\$38.1billion	\$38.08billion
Inflation	24.23%	23.16%

KEY METRICS

Metrics	Outcome
All-Share Index	108,733.40
WTD	2.54%
MTD	2.77%
YTD	5.64%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N'trn)	68.33

FIG 1: NGX ALL SHARE INDEX – 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 02-05-2025	Wk. Close 09-05-2025	% WTD	% YTD
NGX-Banking	1,125.29	1,160.06	3.09	6.97
NGX-Industrial	3,367.36	3,404.23	1.09	-4.70
NGX Oil/Gas	2,350.70	2,444.37	3.98	-9.87
NGX-Consumer Goods	2,045.76	2,156.39	5.41	24.53

The BoE emphasized its data-driven approach, reiterating that future rate decisions will not follow a predetermined path.

GLOBAL MARKET

Global equity markets had mixed performances as investors weighed evolving monetary policy directions from the US Federal Reserve and Bank of England, alongside uncertainties in global trade.

US markets closed bullish as the Dow Jones appreciated by (+0.07)%. Likewise S&P 500 and Nasdaq declined by (+0.17%) and (+0.47%) respectively.

Similarly, European equities FTSE 100 depreciated by (-0.04%). The Euro Stoxx 50 and CAC 40 appreciated by (+2.34%) and (+1.62%) respectively.

Asian markets (Nikkei 225: +2.25% and Hang Seng: +4.64%) closed the week higher. China appreciated by (+3.53%).

MONEY MARKET AND FIXED INCOME

MONEY MARKET

The mid-week Nigerian Treasury Bills (NTB) auction led to a slight weakening of system liquidity. Consequently, the Open Repo Rate (OPR) remained flat at 26.50%, while the Overnight Rate (O/N) rose by 45 basis points to 26.95%.

FGN BONDS AND TREASURY BILLS

The bond market witnessed selloffs in short- and long-term tenors, causing yields to rise, while mid-tenor bonds attracted investor interest, leading to slight yield declines. Overall, the average benchmark yield increased from 18.68% to 18.74% last week.

The NTB market extended its bearish trend, with the average yield climbing by 34 basis points week-on-week to 20.69%. Conversely, Open Market Operation (OMO) bills saw some recovery, with the average yield declining to 26.64% from 26.91% the previous week. Market activity is expected to remain subdued as investors adopt a cautious stance.

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
MULTIVERSE	6.35	10.00	3.65	▲ 57.48
ACADEMY	2.87	4.32	1.45	▲ 50.52
BETAGLAS	109.80	160.65	50.85	▲ 46.31

TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
ABBEYBDS	8.30	7.00	-1.30	▼ -15.66
MEYER	9.25	8.00	-1.25	▼ -13.51
VERITASKAP	1.11	0.99	0.99	▼ -10.81

FGN BOND

Maturity	Bid Yield	Offer Yield
NIGB 12.500% JAN 26	19.40%	18.60%
NIGB 16.2884% MAR 27	19.50%	18.60%
NIGB 19.94% MAR 27	19.45%	19.15%
NIGB 13.98% FEB 28	19.30%	18.85%
NIGB 14.55% APR 29	19.30%	18.90%
NIGB 19.30% APR 29	19.70%	19.30%
NIGB 18.50% FEB 31	20.00%	19.70%
NIGB 12.50% APR 32	19.90%	19.50%
NIGB 14.70% JUN 33	20.45%	20.00%
NIGB 19.89% MAY 33	20.15%	19.85%
NIGB 12.149% JUL 34	19.30%	18.34%
NIGB 19.00% FEB 34	19.50%	19.00%
NIGB 12.50% MAR 35	19.90%	18.24%
NIGB 22.60% JAN 35	19.70%	19.40%
NIGB 12.40% MAR 36	19.20%	18.20%
NIGB 16.25% APR 37	19.25%	18.40%
NIGB 15.45% JUN 38	19.15%	18.30%
NIGB 13.00% JAN 42	18.50%	17.50%
NIGB 14.80% APR 49	17.50%	16.65%
NIGB 12.98% MAR 50	17.40%	16.80%
NIGB 15.70% JUN 53	17.20%	16.95%

FOREIGN EXCHANGE

The naira weakened by 1.3% week-on-week, settling at NGN1,610.50/USD, despite the Central Bank of Nigeria (CBN) selling approximately \$200 million to support the currency. At the same time, gross foreign exchange reserves rose for the second week in a row, increasing by \$86.67 million to reach \$38.10 billion as of May 6. In the forward market, the naira appreciated across all tenors, with gains recorded in the 1-month (+0.2% to NGN1,641.59/USD), 3-month (+0.2% to NGN1,707.37/USD), 6-month (+0.8% to NGN1,799.21/USD), and 1-year (+1.7% to NGN1,988.66/USD) contracts.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude appreciated by +4.28% w/w to close at \$60.65 per barrel. Gold appreciated by +3.43% to close at \$3,348.60 from \$3,237.70.

Accordingly, the OPEC Basket price closed at \$63.59 per barrel for the week indicating a +3.87 % weekly gain.

TOP BUSINESS HEADLINES FOR THE WEEK

- Federal Government tasks Economic Management Team with achieving 7% GDP growth.
- President Tinubu to meet Gencos over N4.7 trillion electricity debt.
- States to earn more revenue as Senate approves new VAT sharing formula, retains 7.5%.
- Senate passes two outstanding tax reform bills.

INTERBANK OFFERED RATE

	02-May-2024	09-May-2024	Change(%)
OPR	26.50	26.50	0.0
OVN	26.83	26.95	-0.45

OIL & COMMODITIES PRICES

Instrument	02-May-2024	09-May-2024	Change (%)
Brent Crude	61.22	63.59	3.87
WTI Oil	58.16	60.65	4.28
Gold	3,237.70	3,348.60	3.43

FOREIGN EXCHANGE (Spot & Forward rate

Currency	Closing Rate (\$/N)
NAFEM Window	1,609.64
GBP	2,157.94
EUR	1,832.64
CAD	1,149.99

For enquiries, please contact us at:  
Phoenix Global Capital Markets Limited  
9a, Sir Samuel Manuwa Street,  
Victoria Island,  
Lagos,  
Nigeria.  
Email: [info@phoenixcapital.africa](mailto:info@phoenixcapital.africa)  
Website: [www.phoenixcapital.africa](http://www.phoenixcapital.africa)

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