

WEEKLY ECONOMIC AND MARKET RECAP

NIGERIAN ECONOMY

The Central Bank of Nigeria’s (CBN) Monetary Policy Committee (MPC) unanimously agreed to maintain the Monetary Policy Rate (MPR) at 27.50% for the second consecutive time this year. The decision was aimed at managing inflation expectations and easing pressure on the naira amid rising global uncertainties.

The Committee also kept all other monetary parameters unchanged: the Cash Reserve Ratio (CRR) remained at 50.0% for Deposit Money Banks and 16.0% for Merchant Banks; the asymmetric corridor around the MPR stayed at +500bps/-100bps; and the liquidity ratio held steady at 30.0%.

EQUITIES

The local bourse ended the week on a negative note as the All Share Index (NGX ASI) depreciated by -0.62% week-on-week to settle at 109,028.62 basis points with sell-off seen in stocks such as NEIMETH (-17.03%), ABCTRA(-15.59%), TRANSCOHOT (-15.03%) and NPFMCRFB (-12.79%).

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 mixed last week as the NGX-Industrial Index and NGX- Consumer Goods Index appreciated by (+0.72%) and (+2.18%) respectively. While NGX-Banking Index and NGX-Oil/Gas depreciated by (-1.52%) and (-3.44%) respectively.

GLOBAL ECONOMY

According to the UK’s Office for National Statistics (ONS), consumer prices rose sharply in April, hitting a 15-month high of 3.5% year-on-year (March: 2.6% y/y), exceeding expectations (3.3% y/y). This was largely due to a slower decline in energy prices (-0.9% y/y vs. March: -8.0% y/y), driven by increased electricity and gas costs following a 6.4% hike in the government’s energy price cap.

Services inflation also picked up (+5.4% y/y vs. March: +4.7% y/y), primarily due to higher fares during Easter, while food inflation rose to 3.4% (March: 3.0% y/y) amid renewed grocery price pressures. Month-on-month, inflation climbed 1.2% in April (March: 0.3% m/m), matching the highest monthly rise since April 2023.

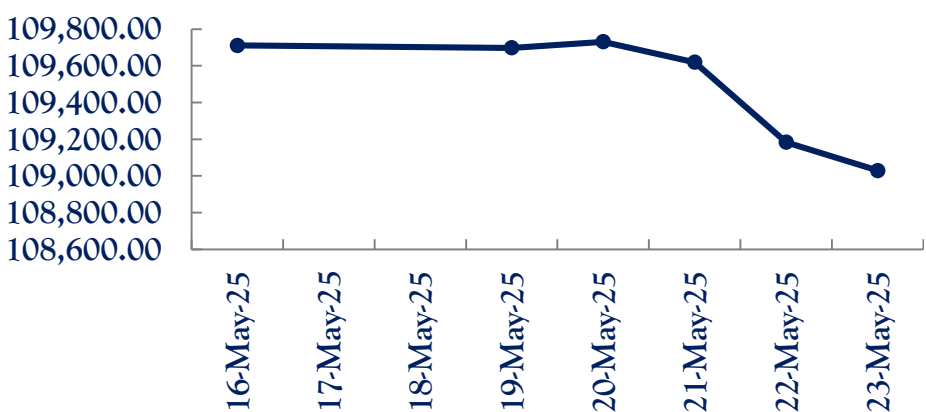
ECONOMIC INDICATORS

Economic Indicators	Current	Previous
GDP Growth	3.84%	3.48%
Unemployment	33.3%	33.3%
MPR	27.50%	27.50%
External Reserve	\$38.54billion	\$38.53billion
Inflation	24.23%	23.16%

KEY METRICS

Metrics	Outcome
All-Share Index	109,028.62
WTD	-0.62%
MTD	3.05%
YTD	5.93%
52-week High	102401.88
52-week Low	24,026.05
Market Capitalization (N’trn)	68.75

FIG 1: NGX ALL SHARE INDEX – 5 DAYS CHART



SECTOR PERFORMANCE

Index	Wk. Close 16-05-2025	Wk. Close 23-05-2025	% WTD	% YTD
NGX-Banking	1,173.88	1,155.98	-1.52	6.59
NGX-Industrial	3,408.65	3,433.15	0.72	-3.89
NGX Oil/Gas	2,460.52	2,375.93	-3.44	-12.39
NGX-Consumer Goods	2,244.28	2,293.27	2.18	32.43

GLOBAL MARKET

Global equity faced renewed risk-off sentiment last week, as markets were unsettled by ongoing uncertainty in international trade negotiations and growing concerns around the U.S. economy.

US markets closed bearish as the Dow Jones depreciated by (-2.78)%. Likewise S&P 500 and Nasdaq declined by (-2.70%) and (-2.497%) respectively.

European equities FTSE 100 appreciated by (+0.21%). The Euro Stoxx 50 and CAC 40 depreciated by (-0.77%) and (-0.51%) respectively.

Asian markets, the Nikkei 225 appreciated by +0.10%. While Hang Seng and China A50 depreciated by (-0.22%) and (-0.58%) respectively.

MONEY MARKET AND FIXED INCOME

MONEY MARKET

Despite a Primary Market Auction (PMA), overall system liquidity improved, pushing interbank rates lower.

The Open Repo Rate (OPR) and Overnight Rate (O/N) dropped by 30bps and 15bps respectively, closing at 26.42% and 26.92%.

FGN BONDS AND TREASURY BILLS

Despite the MPC’s cautious stance, investor interest in the domestic bond market remained strong, especially in short- and mid-tenor instruments.

Consequently, the average benchmark yield dipped slightly from 18.60% to 18.59%.

The improvement in system liquidity increased demand for NTBs, leading to a 49bps week-on-week drop in the average benchmark yield to 20.83%.

OMO bill yields also declined, with the average dropping 134bps to 26.35% from 26.71% the previous week. The market is expected to remain relatively quiet as investors adopt a cautious stance.

At Wednesday’s NTB auction, the CBN offered NGN500 billion in bills – NGN50 billion (91-day), NGN100 billion (182-day), and NGN350 billion (364-day). Total subscriptions rose to NGN1.17 trillion (vs. NGN1.09 trillion previously), reflecting a bid-to-offer ratio of 2.3x (previous: 2.0x). The CBN over-allotted NGN615.80 billion – NGN71.67 billion (91-day), NGN41.13 billion (182-day), and NGN503.00 billion (364-day), at stop rates of 18.00%, 18.50%, and 19.56% (19.63% previously), respectively.

Additionally, an OMO auction held on 20 May saw the CBN offer NGN500 billion (split evenly between 182-day and 210-day bills). Total subscriptions hit NGN743.25 billion (bid-to-offer: 1.5x), with NGN655.25 billion allotted – NGN117.50 billion (182-day) and NGN537.75 billion (210-day), at stop rates of 23.77% and 23.98%.

TOP GAINERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
CUTIX	2.60	3.17	0.57	▲ 21.92
CUSTODIAN	17.95	21.80	3.85	▲ 21.45
REDSTAREX	5.55	6.71	1.16	▲ 20.90

TOP LOSERS

COMPANY	OPEN	CLOSE	GAIN (N)	% CHANGE
NEIMETH	3.70	3.07	-0.63	▼ -17.03
ABCTRA	2.95	2.49	-0.46	▼ -15.59
TRANSCOHOT	163.00	138.50	-24.50	▼ -15.03

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%	19.45%
NIGB 18.50% FEB 31	20.00%	19.80%
NIGB 12.50% APR 32	19.90%	19.50%
NIGB 14.70% JUN 33	20.45%	20.00%
NIGB 19.89% MAY 33	20.00%	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	19.55%	19.15%
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%	17.00%

FOREIGN EXCHANGE

The naira appreciated by 1.1% week-on-week to NGN1,585/USD, supported by the CBN’s intervention through a sale of approximately USD190.40 million. Gross FX reserves also rose for the fourth consecutive week, increasing by USD166.63 million to USD38.54 billion as of 21 May. In the forwards market, the naira strengthened across all tenors:

- 1-month: +1.1% to NGN1,623.11/USD
- 3-month: +1.5% to NGN1,682.77/USD
- 6-month: +1.6% to NGN1,770.17/USD
- 1-year: +2.6% to NGN1,938.74/USD.

OIL PRICES AND COMMODITIES

Over the week, the West Texas Intermediate (WTI) Crude depreciated by -1.77% w/w to close at \$61.48 per barrel. Gold appreciated by +5.45% to close at \$3,361.20 from \$3,187.40.

Accordingly, the OPEC Basket price closed at \$64.73 per barrel for the week indicating a -1.05 % weekly loss.

TOP BUSINESS HEADLINES FOR THE WEEK

- Nigeria’s electricity debt increases by NGN800 billion – Senate.
- CBN affirms stability and resilience of the banking sector.
- Dollar outflow for fuel imports jumps by 119%.
- Nigeria spends \$2 billion on external debt servicing in four month.
- Foreign transactions on NGX plunge 91% to NGN63 billion

INTERBANK OFFERED RATE

	16-May-2024	23-May-2024	Change(%)
OPR	26.50	26.42	-0.30
OVN	26.96	26.92	-0.15

OIL & COMMODITIES PRICES

Instrument	16-May-2024	23-May-2024	Change (%)
Brent Crude	65.42	64.73	-1.05
WTI Oil	62.59	61.48	-1.77
Gold	3,187.40	3,361.20	+5.45

FOREIGN EXCHANGE (Spot & Forward rate

Currency	Closing Rate (\$/N)
NAFEM Window	1,580.44
GBP	2,164.72
EUR	1,82474
CAD	1,153.64

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