

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

ECONOMY: Review of World Bank's 2024 Annual Report

In its concluding remarks, the report issues a clarion call for countries to act with urgency and unity. The challenges may be formidable, but with the right blend of innovation, inclusivity, and collaboration, the global community can still make strides toward reversing stagnation, reducing poverty, and securing a future of shared prosperity by 2030.

EQUITIES MARKET: Boisterous Open to 2025 by 1.42% w/w Appreciation in ASI on Strong Investor Expectations

This robust start to 2025 underscores the growing appeal of the Nigerian Exchange as a hub for portfolio diversification. Sectors such as insurance, banking, consumer goods, and industrial goods saw notable investor interest, with a focus on stocks poised to deliver substantial returns in the near term. Looking ahead, market sentiment remains bullish, although some profit-taking could moderate gains in the short term. Overall, the outlook for 2025 is optimistic, with expectations of sustained investor confidence and market resilience. Thus, we continue to advise investors to take position in stocks with strong upsides and fundamentals.

ECONOMY: Review of World Bank's 2024 Annual Report.....

This week, we take a brief review of the World Bank's latest annual report, "2024 Key Development Challenges in Nine Charts," which presents a compelling picture of the global economy's state, focusing on the uneven recovery from years of economic upheaval and its impact on poverty reduction efforts. The report highlights how the global economy has managed to regain a measure of stability after enduring a series of shocks in recent years, successfully avoiding a recession in 2024 despite earlier predictions of widespread economic contraction.

However, the recovery has not been universal, with developed economies demonstrating a faster rebound while many developing nations continue to grapple with significant setbacks. Low-income countries, in particular, remain at risk of being left further behind, underscoring deep-seated disparities in global progress.

A stark reality confronts the international community: the goal of eradicating extreme poverty by 2030 is increasingly unattainable. The World Bank estimates that approximately 700 million people—equivalent to 8.5% of the global population—are surviving on less than \$2.15 per day, a figure that underscores the enduring prevalence of extreme poverty.

The problem is compounded by the fact that nearly 3.5 billion individuals earn less than \$6.85 daily, a benchmark more reflective of poverty thresholds in middle-income countries, which house three-quarters of the global population. These statistics highlight not only the challenges faced by the world's poorest but also the vulnerabilities of vast swathes of the middle class in developing nations.

The report goes on to explore the intersecting crises that have stalled progress in poverty reduction. Among the most pressing challenges is climate change, which the Bank identifies as a severe threat to global stability and human livelihoods. Climate-related disasters such as droughts, heatwaves, floods, and cyclones are estimated to endanger the lives and well-being of 1.2 billion people globally. The Bank underscores the urgent need for countries to prioritise climate resilience, calling for accelerated development, the construction of more robust infrastructure, and the implementation of targeted adaptation measures to mitigate these risks.

Another critical issue highlighted in the report is the mounting debt burden in developing countries, exacerbated by the lingering effects of the COVID-19 pandemic. By the end of 2023, the external debt of low- and middle-income nations reached an all-time high of \$8.8 trillion, representing an 8% increase since 2020. The rising global interest rates have made it increasingly difficult for many of these countries to stabilise their finances.

The World Bank has sought to address this escalating debt crisis by assessing the sustainability of debt levels in developing nations and enhancing their debt transparency and management capabilities. Notably, since 2022, the Bank and other multilateral institutions have invested an additional \$51 billion in International Development Association (IDA)-eligible economies, exceeding the amounts they received in debt-service payments.

The report also delves into commodity markets, predicting a 10% decline in prices between 2024 and 2026. However, the Bank cautions that this decrease is unlikely to provide substantial relief for developing countries, where food-price inflation remains alarmingly high. The combination of elevated debt levels, persistent inflation, and limited fiscal space leaves these nations in a precarious position, struggling to balance short-term economic needs with long-term development goals.

Despite these challenges, the World Bank remains optimistic about the potential for collective action to reignite progress toward eradicating extreme poverty and boosting shared prosperity. The report calls for a renewed focus on promoting green, inclusive, and sustainable economic growth as a means of addressing the intertwined global challenges.

It stresses the importance of creating opportunities for marginalised groups, particularly women and youth, as well as prioritising investments in climate mitigation and adaptation to ensure a livable planet. Additionally, the Bank highlights the necessity of revitalising international cooperation and financing mechanisms to support sustainable development.

In its concluding remarks, the report issues a clarion call for countries to act with urgency and unity. The challenges may be formidable, but with the right blend of innovation, inclusivity, and collaboration, the global community can still make strides toward reversing stagnation, reducing poverty, and securing a future of shared prosperity by 2030.

EQUITIES MARKET: Boisterous Open to 2025 by 1.42% w/w Appreciation in ASI on Strong Investor Expectations.....

The Nigerian stock market commenced 2025 on a positively boisterous note, with the All-Share Index (ASI) recording a strong 1.42% week-on-week (w/w) gain to close at 103,586.33 points. This remarkable start to the year reflects renewed investor confidence and optimism, driven by heightened position-taking in stocks with robust fundamentals and vibrant trading activities marking the beginning of the year. The market's upbeat tone builds on its impressive performance in 2024, during which it achieved a 38% annual gain.

The ASI's rally this week was primarily supported by significant buying interest across key sectors, notably the insurance and consumer goods sectors. Investors are positioning themselves strategically ahead of potential earnings growth and anticipated interim dividend announcements for 2024. In tandem, the market capitalisation climbed by 2.02% w/w to N63.17 trillion, adding an impressive N1.25 trillion in value. This underscores the resilience of Nigerian equities, even amidst persisting economic challenges. Mid-to-large-cap stocks were particularly instrumental in driving this performance, reflecting their strong demand.

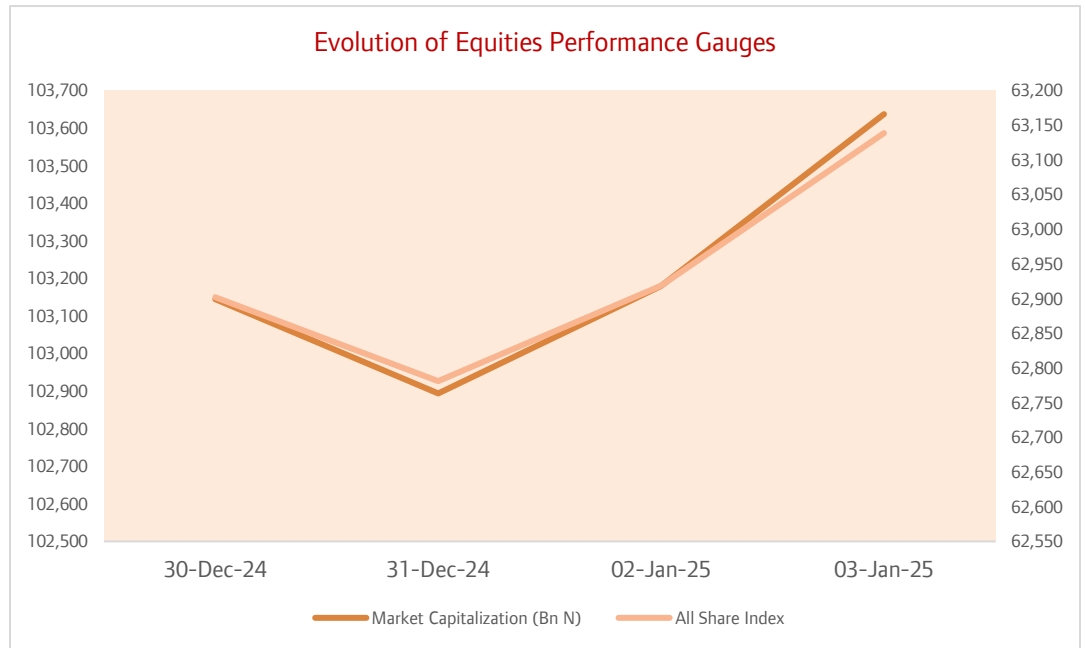
Trading activities were vibrant as the market entered the new year, with weekly traded volume and value surging by 88.8% and 34.1%, respectively, to 2.62 billion shares valued at N69.74 billion. These transactions were executed through 47,953 trades, representing a 43.5% increase from the previous week.

Sectoral performance painted a broadly positive picture, with four of the five major indices under review closing higher. The NGX-Insurance sector emerged

as the standout performer, surging by an impressive 26.91%, supported by strong price appreciation in stocks such as PRESTIGE, SOVRENINS, and CORONATION. The NGX-Consumer Goods, NGX-Banking, and NGX-Industrial Goods indices also recorded gains of 2.16%, 0.58%, and 0.5%, respectively, driven by positive sentiment in stocks like TANTALIZER, MULTIVERSE, HONYFLOUR, STERLING, and WEMABANK. Conversely, the NGX-Oil and Gas index was the only laggard, slipping by 0.45% w/w due to sell-offs in TOTAL, ETERNA, and OANDO.

The top-performing stocks for the week included PRESTIGE (+46%), NEIMETH (+45.3%), SOVRENINS (+45.2%), CORONATION (+44.9%), and UNIVERSAL INSURANCE (+43.6%). On the flip side, the worst performers were PZ CUSSONS (-13.8%), CWG (-10.8%), UNIONDICON (-10%), NGXGROUP (-9.2%), and CADBURY (-6.5%).

This robust start to 2025 underscores the growing appeal of the Nigerian Exchange as a hub for portfolio diversification. Sectors such as insurance, banking, consumer goods, and industrial goods saw notable investor interest, with a focus on stocks poised to deliver substantial returns in the near term. Looking ahead, market sentiment remains bullish, although some profit-taking could moderate gains in the short term. Overall, the outlook for 2025 is optimistic, with expectations of sustained investor confidence and market resilience. Thus, we continue to advise investors to take position in stocks with strong upsides and fundamentals.



Weekly Gainers and Loser as at Friday, January, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	03-Jan-25	27-Dec-24	% Change	Symbol	03-Jan-25	27-Dec-24	% Change
PRESTIGE	1.46	1.00	46.0%	PZ	25.00	29.00	-13.8%
NEIMETH	2.76	1.90	45.3%	CWG	7.00	7.85	-10.8%
SOVRENINS	1.35	0.93	45.2%	UNIONDICON	7.20	8.00	-10.0%
WAPIC	2.71	1.87	44.9%	NGXGROUP	27.25	30.00	-9.2%
UNIVINSURE	0.79	0.55	43.6%	CADBURY	21.50	23.00	-6.5%
TANTALIZER	2.47	1.72	43.6%	TOTAL	630.00	673.90	-6.5%
GUINEAINS	0.97	0.68	42.6%	ETERNA	26.70	28.50	-6.3%
CONHALLPLC	4.00	2.86	39.9%	OANDO	64.50	67.35	-4.2%
CORNERST	4.35	3.27	33.0%	ABCTRANS	1.18	1.23	-4.1%
ROYALEX	1.21	0.91	33.0%	DANGSUGAR	32.75	34.05	-3.8%

Weekly Stock Recommendations as at Friday, January, 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
ZENITH BANK	26.34	21.07	111.76	0.41	1.74x	47.35	28.00	46.50	62.0	39.0	52.7	35.22	Buy
FBN HOLDINGS	14.72	16.68	72.32	0.39	1.92x	43.95	15.9	27.95	45.0	24.0	32.4	59.57	Buy
MTN NIGERIA	-24.48	-25.78	-27.32	-7.32	-8.17x	319.8	178	200.00	263.0	170.0	230.0	31.50	Buy
NAHCO	4.71	5.02	8.39	5.72	10.20x	48.85	24.00	48.00	61.0	40.8	55.2	27.08	Buy
STANBIC	13.90	11.12	48.67	1.19	4.17x	84.00	32.00	58.00	83.0	49.3	66.7	43.10	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, January, 2025

FGN Eurobonds	Issue Date	TTM (years)	03-Jan-25 Price (N)	Weekly USD Δ	03-Jan-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.88	99.53	0.25	8.2%	-0.29
6.50 NOV 28, 2027	28-Nov-17	2.90	95.09	0.40	8.4%	-0.16
6.125 SEP 28, 2028	28-Sep-21	3.74	91.05	0.42	9.0%	-0.13
8.375 MAR 24, 2029	24-Mar-22	4.22	97.54	0.57	9.1%	-0.17
7.143 FEB 23, 2030	23-Feb-18	5.14	91.20	0.79	9.3%	-0.20
8.747 JAN 21, 2031	21-Nov-18	6.05	96.85	0.82	9.4%	-0.18
7.875 16-FEB-2032	16-Feb-17	7.12	90.87	1.03	9.7%	-0.21
7.375 SEP 28, 2033	28-Sep-21	8.74	86.40	1.04	9.7%	-0.19
7.696 FEB 23, 2038	23-Feb-18	13.15	82.39	1.03	10.2%	-0.17
7.625 NOV 28, 2047	28-Nov-17	22.92	77.30	1.21	10.2%	-0.18
9.248 JAN 21, 2049	21-Nov-18	24.07	91.46	1.08	10.2%	-0.13
8.25 SEP 28, 2051	28-Sep-21	26.75	80.71	1.18	10.4%	-0.16

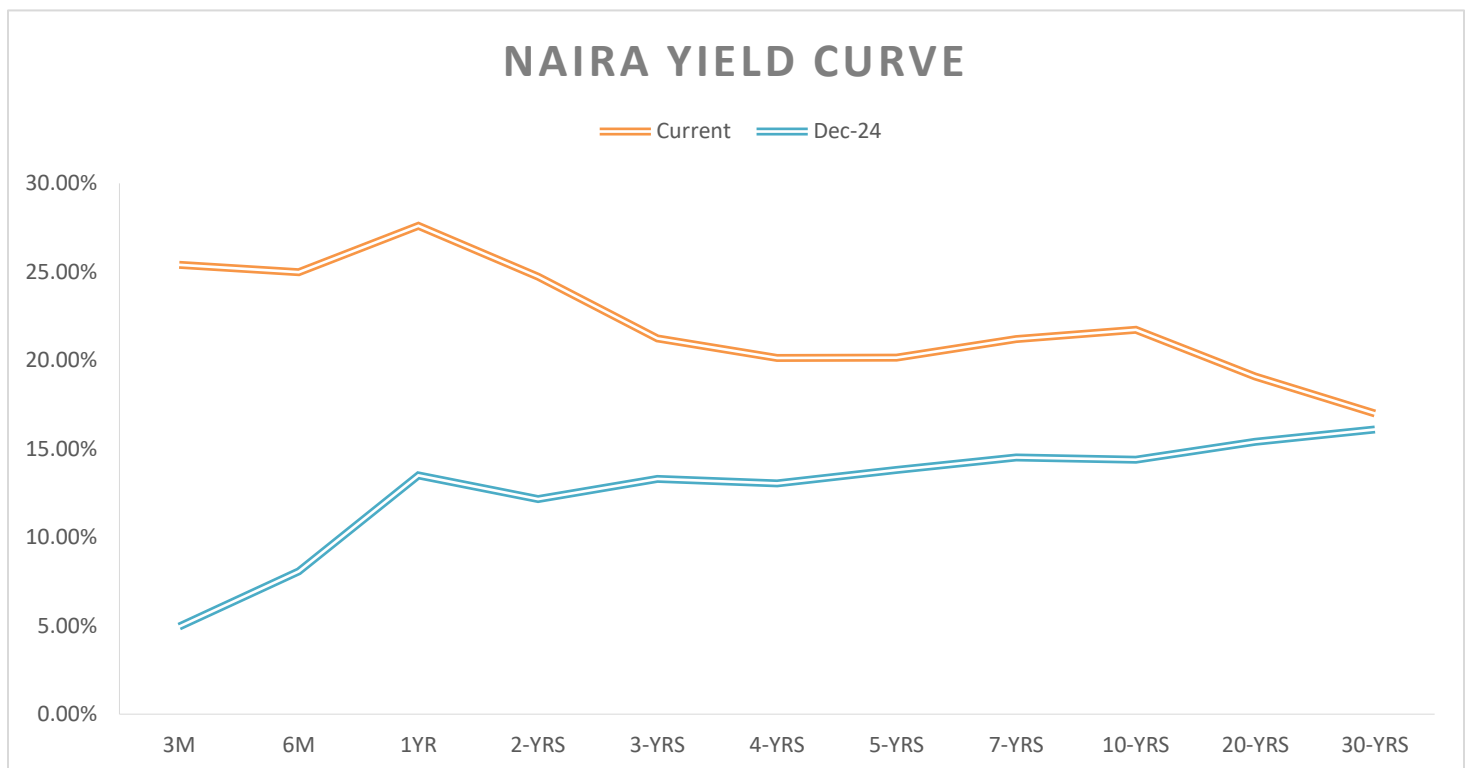
U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, January, 2025

MAJOR	03-Jan-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0297	1.0267	0.29%	-1.26%	-2.07%	-5.93%
GBPUSD	1.2407	1.2380	0.22%	-1.32%	-2.33%	-2.16%
USDCHF	0.9092	0.9123	-0.34%	0.80%	2.83%	6.98%
USDRUB	110.4984	110.9979	-0.45%	4.50%	5.24%	20.97%
USDNGN	18.7627	18.7066	0.30%	-0.34%	-5.19%	69.35%
USDZAR	18.7627	18.7066	0.30%	0.39%	3.35%	0.30%
USDEGP	50.7780	50.7476	0.06%	-0.07%	2.06%	65.15%
USDCAD	20.57	20.6074	-0.17%	0.06%	2.43%	8.03%
USDMXN	20.57	20.6074	-0.17%	1.21%	1.36%	20.97%
USDBRL	6.16	6.1519	0.10%	-0.71%	1.88%	25.69%
AUDUSD	0.5606	0.5594	0.21%	0.02%	-3.33%	-7.29%
NZDUSD	0.5606	-0.0600	0.21%	-0.60%	-4.47%	-10.11%
USDJPY	7.3564	7.3403	0.22%	-0.43%	4.35%	8.66%
USDCNY	7.3564	7.3403	0.22%	0.78%	1.10%	2.52%
USDINR	85.7744	85.7916	-0.02%	0.45%	1.26%	3.04%

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

Commodity		03-Jan-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	73.4	73.1	0.40%	4.00%	7.12%	1.71%
BRENT	USD/Bbl	76.1	75.9	0.27%	3.17%	5.28%	-1.89%
NATURAL GAS	USD/MMBtu	3.5	9.8	-4.90%	2.71%	14.19%	35.78%
GASOLINE	USD/Gal	2.1	2.1	0.13%	5.54%	6.09%	-3.66%
COAL	USD/T	124.6	125.3	-0.52%	-0.32%	-7.81%	-3.04%
GOLD	USD/t.oz	2,647.1	2,658.6	-0.43%	0.94%	-0.19%	29.46%
SILVER	USD/t.oz	29.8	29.5	0.96%	1.49%	-4.93%	29.53%
WHEAT	USD/Bu	541.0	545.7	-0.87%	-1.01%	0.55%	-11.82%
PALM-OIL	MYR/T	4,403.0	4,335.8	1.55%	-4.80%	-12.59%	20.40%
COCOA	USD/T	11,118.2	11,205.6	-0.78%	13.39%	22.14%	162.68%

FGN Bonds Yield Curve, Friday January, 2025





Disclaimer

This report is produced by the **Research Desk** of Cowry Asset Management Limited (COWRY) as a guideline for Clients that intend to invest in securities on the basis of their own investment decision without relying completely on the information contained herein. The opinion contained herein is for information purposes only and does not constitute any offer or solicitation to enter into any trading transaction. While care has been taken in preparing this document, no responsibility or liability whatsoever is accepted by any member of COWRY for errors, omission of facts, and any direct or consequential loss arising from the use of this report or its contents.