

## Segment Outlook:

# Cowry Financial Markets Review, Outlook & Recommended Stocks

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### ECONOMY: Strong Global Growth at 3.3% in 2025 But Risks, Uncertainties Beclouds Expectations.....

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### EQUITIES MARKET: Nigerian Stock Market Soars by ₦794 Billion as Q4 Earnings Drive Investor Optimism.....

Looking ahead, the current positive market sentiment is expected to persist into the coming week, supported by the release of corporate earnings and anticipated corporate actions. The results published so far have been encouraging, providing a foundation for sustained price support and attracting fresh capital inflows into the market. Moreover, the prevailing low valuation of many stocks continues to create opportunities for investors to buy into value and strategically reposition their portfolios. However, the market may experience bouts of volatility as the earnings season progresses. Mixed macroeconomic data and upcoming economic events are likely to influence market sentiment, particularly for companies with December year-end financials.

## ECONOMY: Strong Global Growth at 3.3% in 2025 But Risks, Uncertainties Beclouds Expectations.....

In our economic update this week, we look into the latest World Economic Outlook (WEO) report from the International Monetary Fund (IMF) where the global economy is projected to grow by 3.3% in both 2025 and 2026, signalling relative stability but falling below the historical average of 3.7% observed between 2000 and 2019. The forecast for 2025 remains consistent with earlier predictions, as stronger growth in the United States offsets weaker performances in other major regions. These dynamics highlight the uneven pace of recovery across the globe, underscoring the importance of monitoring regional trends and associated risks for informed decision-making by policymakers and investors.

Among advanced economies, the United States is expected to lead the recovery with a projected growth rate of 2.7% in 2025. This performance is attributed to robust consumer spending, a resilient labour market, and improving financial conditions. In contrast, the Euro area and Japan are forecasted to grow at a slower pace due to persistent challenges such as geopolitical tensions, supply chain disruptions, and structural economic issues that continue to weigh on their economies.

Emerging markets and developing economies present a mixed picture. China's economy is projected to grow by 4.6%, supported by fiscal stimulus aimed at boosting economic activity. However, its growth remains constrained by significant challenges, particularly instability in the property market, which continues to weigh on economic stability. Meanwhile, India is grappling with a slowdown in industrial production and weaker export performance, both of which are dampening its economic growth. In the Middle East and Central Asia, growth is expected to improve, although less than initially anticipated. This is largely due to a downward revision in Saudi Arabia's growth forecast for 2025 by 1.3 percentage points, attributed to the extension of OPEC+ production cuts. Similarly, in Latin America and the Caribbean, growth is projected to accelerate modestly to 2.5% in 2025, despite a slowdown in the region's largest economies. Sub-Saharan Africa is expected to see stronger growth, while emerging and developing Europe is forecasted to slow down.

Progress on disinflation is anticipated to continue, with minimal changes from the October 2024 WEO forecasts. A gradual cooling of labour markets is expected to ease demand pressures, while declining energy prices will further support a reduction in headline inflation towards central bank targets. In the United States, inflation is projected to approach, though remain slightly above, the 2% target in 2025. In the euro area, inflationary pressures are expected to be more subdued, while low inflation is likely to persist in China. Consequently, the gap between expected policy rates in the United States and other economies is expected to widen.

The global economic outlook remains clouded by significant risks. One of the most pressing concerns is the potential intensification of trade tensions, driven by a resurgence of protectionist policies such as new tariffs. These measures could disrupt global trade flows, exacerbate supply chain inefficiencies, and deter investment, leading to slower growth in the near and medium term. The impact of such policies would not be uniform, with some economies bearing a disproportionate share of the fallout.

Further complicating the outlook are financial and structural risks. While deregulation in the United States may spur short-term growth through increased investment and economic activity, excessive rollbacks of safeguards could heighten financial instability and result in boom-bust cycles with global repercussions. Labour shortages caused by reduced migration flows could also permanently lower potential output and drive inflationary pressures during the adjustment period.

Geopolitical tensions add another layer of uncertainty. Escalating conflicts in the Middle East and Ukraine could disrupt key trade routes for commodities such as oil and gas, driving up prices and disproportionately affecting commodity-importing nations. These developments could result in stagflationary pressures globally, further exacerbated by an appreciating U.S. dollar driven by interest rate differentials and tariffs..

Policymakers face the challenge of addressing immediate stabilisation needs while fostering long-term growth amid rising uncertainty and risks. Central banks must focus on maintaining price stability while supporting economic activity, with restrictive monetary policies necessary in economies battling persistent inflation and more accommodative stances suited to regions experiencing subdued inflation and slowing growth.

Fiscal policy should complement these efforts by ensuring debt sustainability through gradual yet substantial consolidation measures that avoid disrupting economic activity, while integrating growth-friendly initiatives to protect vulnerable populations and sustain public support for reforms.

Multilateral cooperation is crucial to addressing global challenges and averting economic fragmentation, with trade policies adhering to World Trade Organization (WTO) frameworks to enhance transparency and reduce distortions. Restoring a fully functional WTO dispute settlement system and fostering collaboration within a rules-based global trading system are essential to reinforce stability and build resilience against future shocks.

**EQUITIES MARKET: Nigerian Stock Market Soars by ₦794 Billion as Q4 Earnings Drive Investor Optimism.....**

The Nigerian Exchange (NGX) witnessed a remarkable turnaround in the just-concluded week as the benchmark index recorded significant appreciation. The NGX All-Share Index advanced by 1.22% week-on-week (WoW) to close at 103,598.30 points. This upward trajectory was buoyed by strong investor sentiment, underpinned by anticipation of fourth-quarter earnings releases, and the ongoing adjustments in portfolio rebalancing. These factors have begun to shape investor expectations for the end-of-year financial performance of listed companies.

Similarly, the market capitalisation experienced an impressive rise, growing by 1.26% WoW to close at N63.65 trillion. This uptrend reversed the prior week's slump, primarily driven by increased trading activities and the supplementary listing of LASACO Assurance's 9.25 billion ordinary shares on the exchange. Consequently, equity investors realised significant gains, as their portfolios increased by N794.22 billion. This was achieved despite a trading week that recorded only three positive sessions out of the possible five. Year-to-date (YTD), the All-Share Index has returned to the positive region with a 0.65% gain.

Trading activities also showed considerable improvement, with heightened investor interest reflected in the total traded volume and value. These figures surged by 35.70% and 27.88%, respectively, reaching 3.06 billion units and N75.24 billion, compared to the 2.25 billion units and N58.83 billion recorded in the previous week. However, the number of trades fell by 7.25% WoW, totalling 59,036 deals.

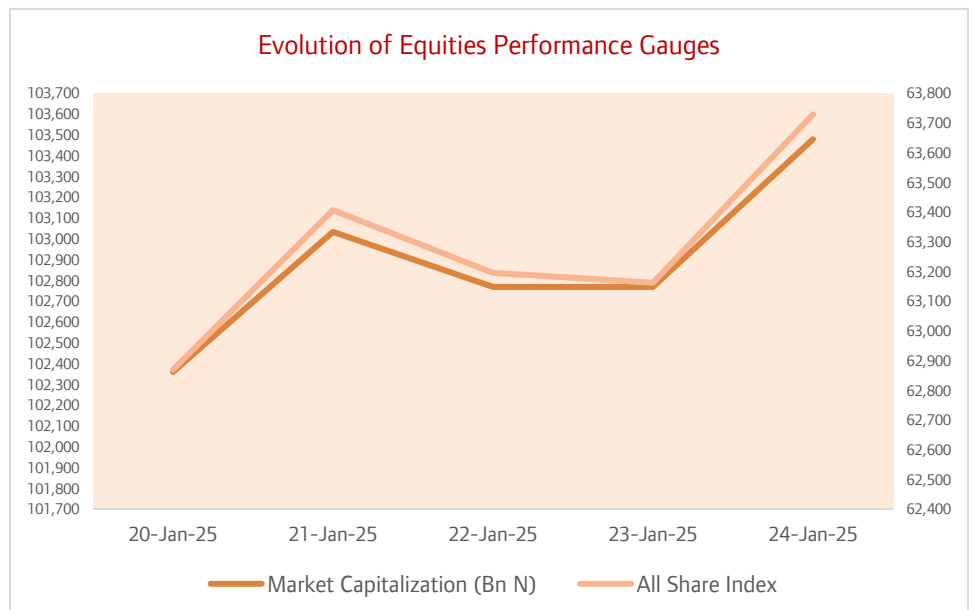
Sectoral performance during the week was mixed, as three of the six tracked sectors recorded gains while the remaining three closed in the red. The NGX-Banking Index

emerged as the best-performing sector, with a 4.09% WoW increase, driven by gains in key banking stocks such as Fidelity Bank (FIDELITYBNK) and United Bank for Africa (UBA). The newly introduced NGX-Commodity Index also posted a 1.03% WoW gain, while the NGX-Industrial Index edged higher by 0.12%, supported by price appreciation in stocks like RT Briscoe (RTBRISCOE), CAP Plc (CAP), and Transcorp Power (TRANSPower).

Conversely, the NGX-Insurance Index led the decliners with a 1.30% drop, followed by the NGX-Consumer Goods and NGX-Oil/Gas indices, which fell by 1.20% and 0.75%, respectively. These declines were largely driven by sell-offs in stocks such as SUNU Assurances (SUNUASSUR), Cornerstone Insurance (CORNERSTONE), Honeywell Flour Mills (HONYFLOUR), Dangote Sugar Refinery (DANGSUGAR), Aradel Holdings (ARADEL), and Eterna Oil (ETERNA).

At the stock level, notable gainers for the week included SCOA Plc, which surged by 59.7%, followed by UPDC Plc (19%), Wapic Insurance (15.3%), Royal Exchange (14.6%), and Daar Communications (13.5%). These stocks garnered significant investor interest and delivered impressive returns during the period. On the other hand, SUNU Assurances topped the losers' chart with a 25.1% decline, trailed by Eunissell Interlinked (19%), John Holt Plc (18.5%), Abbey Building Society (14.6%), and Cornerstone Insurance (14.3%). These losses were largely driven by negative price movements and investor sell-offs.

Looking ahead, the current positive market sentiment is expected to persist into the coming week, supported by the release of corporate earnings and anticipated corporate actions. The results published so far have been encouraging, providing a foundation for sustained price support and attracting fresh capital inflows into the market. Moreover, the prevailing low valuation of many stocks continues to create opportunities for investors to buy into value and strategically reposition their portfolios. However, the market may experience bouts of volatility as the earnings season progresses. Mixed macroeconomic data and upcoming economic events are likely to influence market sentiment, particularly for companies with December year-end financials.



Weekly Gainers and Loser as at Friday, January 24, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	24-Jan-25	17-Jan-25	% Change	Symbol	24-Jan-25	17-Jan-25	% Change
SCOA	3.96	2.48	59.7%	SUNUASSUR	5.01	6.69	-25.1%
UPDC	2.00	1.68	19.0%	EUNISELL	12.66	15.62	-19.0%
WAPIC	2.56	2.22	15.3%	JOHNHOLT	8.30	10.18	-18.5%
ROYALEX	1.02	0.89	14.6%	ABBEYBDS	3.10	3.63	-14.6%
DAARCOMM	0.84	0.74	13.5%	CORNERST	3.48	4.06	-14.3%
UNIVINSURE	0.70	0.63	11.1%	IKEJAHOTEL	11.70	13.50	-13.3%
TRANSCORP	52.00	46.95	10.8%	HONYFLOUR	8.80	9.90	-11.1%
CHELLARAM	4.07	3.70	10.0%	MORISON	3.61	4.01	-10.0%
GUINNESS	77.00	70.00	10.0%	MULTIVERSE	10.05	11.15	-9.9%
CAP	47.75	44.00	8.5%	NEIMETH	3.10	3.43	-9.6%

Weekly Stock Recommendations as at Friday, January 24, 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
<b>GTCO</b>	38.41	43.53	94.00	0.65	1.59x	61.20	32.35	<b>61.25</b>	81.0	51.9	70.2	32.85	Buy
<b>FCMB</b>	5.55	4.51	29.74	0.36	1.91x	11.4	6.15	<b>10.80</b>	16.8	9.0	12.2	58.02	Buy
<b>TOTAL ENERGIES</b>	-24.48	-25.78	-27.32	-8.53	-9.52x	319.8	178	<b>670.00</b>	857.0	569.5	770.5	27.91	Buy
<b>UBA</b>	14.78	16.75	104.83	0.33	2.37x	37.80	12.85	<b>36.50</b>	53.0	29.8	40.3	51.43	Buy
<b>OKOMUOIL</b>	29.71	33.67	48.46	8.33	13.59x	444	243	<b>444.00</b>	537.0	377.4	510.6	20.95	Buy

FGN Eurobonds Trading Above 8% Yield as at Friday, January 24, 2025

FGN Eurobonds	Issue Date	TTM (years)	24-Jan-25 Price (N)	Weekly USD Δ	24-Jan-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.82	100.10	0.22	7.5%	-0.27
6.50 NOV 28, 2027	28-Nov-17	2.84	95.54	0.12	8.3%	-0.04
6.125 SEP 28, 2028	28-Sep-21	3.68	91.65	0.26	8.8%	-0.08
8.375 MAR 24, 2029	24-Mar-22	4.16	97.18	0.03	9.2%	-0.01
7.143 FEB 23, 2030	23-Feb-18	5.08	91.20	-0.03	9.4%	0.01
8.747 JAN 21, 2031	21-Nov-18	5.99	96.93	-0.08	9.4%	0.02
7.875 16-FEB-2032	16-Feb-17	7.07	91.06	-0.16	9.7%	0.04
7.375 SEP 28, 2033	28-Sep-21	8.68	86.29	-0.22	9.8%	0.04
7.696 FEB 23, 2038	23-Feb-18	13.09	82.22	-0.19	10.2%	0.03
7.625 NOV 28, 2047	28-Nov-17	22.86	76.93	-0.38	10.3%	0.06
9.248 JAN 21, 2049	21-Nov-18	24.01	91.43	-0.14	10.2%	0.02
8.25 SEP 28, 2051	28-Sep-21	26.69	80.57	-0.14	10.4%	0.02

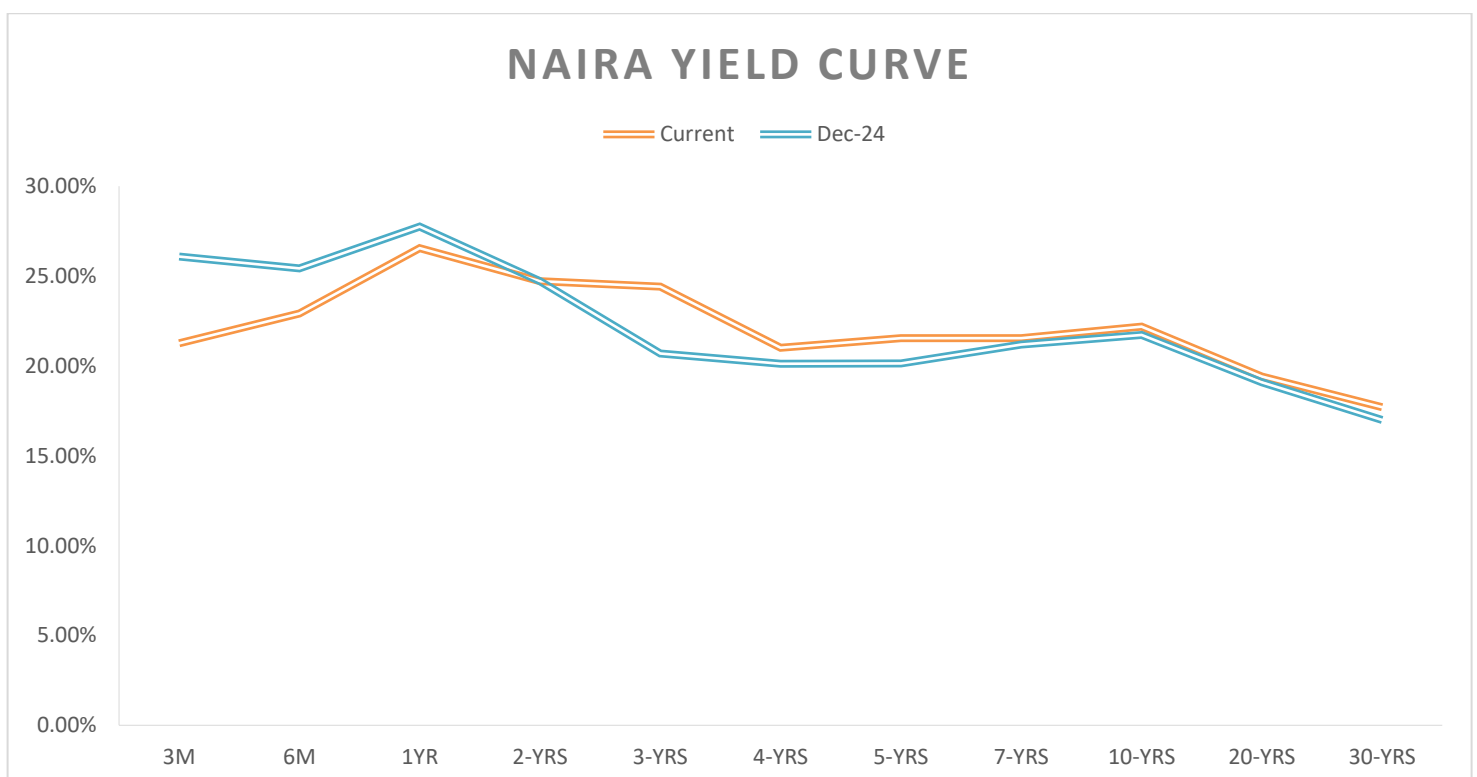
U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, January 24, 2025

MAJOR	24-Jan-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0466	1.0416	0.48%	1.89%	0.43%	-3.51%
GBPUSD	1.2409	1.2354	0.45%	2.02%	-0.91%	-2.34%
USDCHF	0.9065	0.9077	-0.13%	-0.98%	0.81%	4.59%
USDRUB	98.2467	99.8747	-1.63%	-4.21%	-1.32%	10.29%
USDNGN	18.3604	18.4991	-0.75%	-1.42%	-0.40%	73.18%
USDZAR	18.3604	18.4991	-0.75%	-1.92%	-1.55%	-2.57%
USDEGP	50.2935	50.2382	0.11%	-0.11%	-1.11%	63.03%
USDCAD	20.21	20.3921	-0.87%	-1.01%	-0.54%	6.35%
USDMXN	20.21	20.3921	-0.87%	-2.61%	-0.07%	17.63%
USDBRL	5.89	5.9256	-0.66%	-3.06%	-4.97%	19.71%
AUDUSD	0.5702	0.5684	0.33%	1.88%	1.40%	-4.16%
NZDUSD	0.5702	-0.0600	0.33%	2.12%	1.36%	-6.68%
USDJPY	7.2475	7.2876	-0.55%	0.00%	-1.07%	5.86%
USDCNY	7.2475	7.2876	-0.55%	-1.27%	-0.76%	0.95%
USDINR	86.2250	86.4671	-0.28%	-0.41%	0.93%	3.72%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, January 24, 2025

Commodity		24-Jan-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	74.9	74.6	0.37%	-3.25%	6.70%	-3.00%
BRENT	USD/Bbl	78.7	78.3	0.49%	-2.62%	6.87%	-3.62%
NATURAL GAS	USD/MMBtu	3.8	9.8	-2.92%	-2.99%	-0.26%	74.02%
GASOLINE	USD/Gal	2.1	2.1	0.09%	-2.45%	4.91%	-17.87%
COAL	USD/T	116.5	116.7	-0.21%	1.57%	-6.80%	-8.41%
GOLD	USD/t.oz	2,783.6	2,754.4	1.06%	3.05%	5.71%	37.81%
SILVER	USD/t.oz	31.0	30.5	1.81%	2.19%	4.07%	35.28%
WHEAT	USD/Bu	549.0	553.8	-0.86%	1.90%	2.61%	-10.33%
PALM-OIL	MYR/T	4,213.0	4,191.2	0.52%	0.48%	-7.51%	4.88%
COCOA	USD/T	11,572.9	11,552.1	0.18%	3.76%	-2.19%	150.52%

FGN Bonds Yield Curve, Friday January 24, 2025





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