

*Segment Outlook:*

## *Cowry Financial Markets Review, Outlook & Recommended Stocks*

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**DOMESTIC ECONOMY: Global Manufacturing Gains Momentum as Nigeria's PMI Hits a 13-Month High...**

This week, we analyze global and domestic PMI data, highlighting the ongoing recovery in the global manufacturing sector and the strengthening momentum in Nigeria's private sector. In February 2025, the global manufacturing sector extended its recovery for the second consecutive month, with the Global Manufacturing PMI rising to 50.6 from 50.1 in January. While this signals an improvement in operating conditions, growth remains moderate compared to historical trends.

The expansion was primarily driven by a sharp rebound in the United States, where production saw its steepest monthly increase since May 2022. This marked a significant turnaround after five months of decline at the end of last year. Among the 33 economies tracked by the S&P Global PMI survey, only India posted stronger growth than the US in February.

However, performance varied across regions. The eurozone continued to struggle, recording its 23rd consecutive month of manufacturing contraction. In contrast, Asia experienced its strongest output growth in six months, with resilient manufacturing activity supporting the region's economic outlook.

New factory orders worldwide rose at their fastest pace since March 2022, driven by strengthening domestic demand. While global export orders declined slightly, the drop was the smallest in nine months, signaling a potential stabilization in global trade. Rising input costs, particularly in North America, added to inflationary pressures, though selling prices remained stable in the eurozone and China.

On the domestic front, Nigeria's private sector witnessed a notable acceleration in growth in February 2025, supported by increased output, rising new orders, and a boost in purchasing activity. This improvement was fueled by stronger

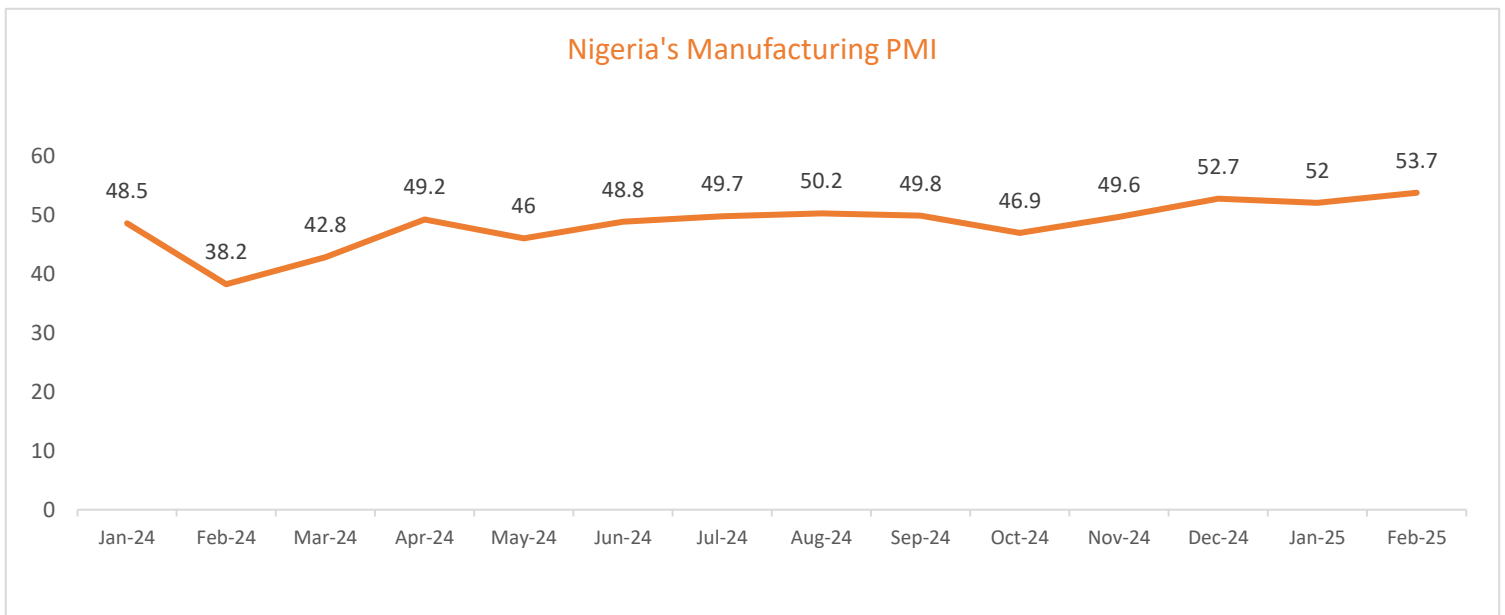
demand, while inflationary pressures—though still elevated—showed signs of easing. The headline Purchasing Managers' Index (PMI) climbed to 53.7 from 52.0 in January, marking the strongest expansion since January 2024 and the third consecutive month of growth. This reflects improving business confidence and a sustained economic recovery.

Output levels grew for the third straight month, with February's expansion being the fastest in over a year. Businesses attributed this growth to higher sales and an improving demand environment. All major sectors—agriculture, manufacturing, services, and wholesale & retail—recorded growth, although the wholesale & retail sector saw only marginal gains. New business orders surged to their highest level in more than a year as customer confidence improved, leading to greater project commitments. Additionally, inflationary pressures, which had been a significant concern, showed signs of easing.

Input cost inflation slowed to a ten-month low, although rising raw material prices and record-high staff costs—at their highest since March 2024—continued to weigh on businesses. As a result, employment growth remained marginal, as firms exercised caution in workforce expansion.

Despite this, backlogs of work declined, indicating that businesses were managing capacity efficiently. While selling price inflation eased to a seven-month low, purchasing activity surged, reaching its highest level since May 2023. Businesses took advantage of stabilizing costs to build inventories in anticipation of sustained demand. Additionally, supply chain performance improved, with suppliers' delivery times shortening at the fastest rate in seven months, driven by prompt payments and better logistics.

Despite the overall positive momentum, business sentiment dipped in February, falling below its long-term average. While companies remained optimistic about future growth, concerns over cost pressures and economic uncertainties persisted. However, expansion plans—including new plant openings and increased export activities—continue to support long-term confidence in Nigeria's economic outlook.

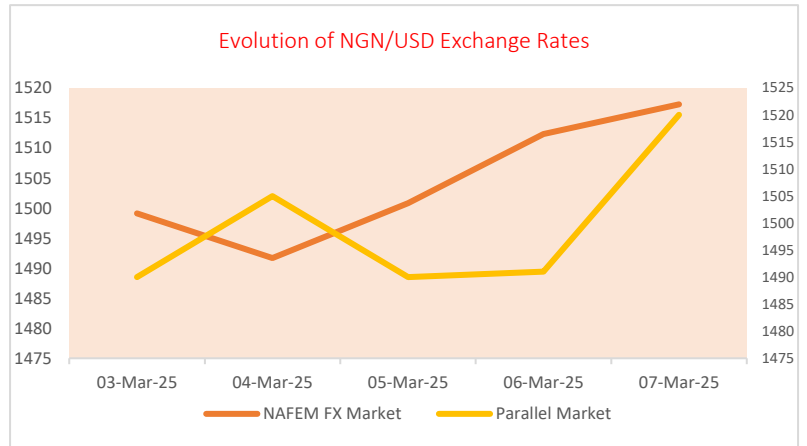


Source: JP Morgan, S&P Global, Cowry Research

**FOREX MARKET: Oil Prices Slip as Naira Battles Pressure in FX Market...**

This week, oil prices took a hit, with Brent crude tumbling 3.8%, marking its steepest weekly drop since mid-November. Meanwhile, WTI was down 3.6%, its worst performance since late January. The downturn came as U.S. crude inventories swelled and OPEC+ announced plans to hike output quotas, sending Brent prices to their lowest levels since December 2021.

Back home, Nigeria’s Bonny Light crude wasn’t spared from the market turbulence, shedding 3.02% week-on-week to settle at \$75.88 per barrel. The dip was driven by a mix of weak global demand and shifting market dynamics. This price slump also played into Nigeria’s external reserves, which saw a marginal 0.61% decline to \$38.49 billion as of Wednesday, March 5, 2025.



In the foreign exchange market, the naira faced slight pressure against the U.S. dollar, depreciating 0.01% week-on-week to N1,517.24 per dollar at the official window. The parallel market mirrored this trend, with the naira easing 0.02% to an average of N1,520 per dollar, reflecting a gradual uptick in demand for the greenback.

Looking ahead, all eyes remain on the Central Bank of Nigeria (CBN) as it continues its weekly interventions in the FX market to support the naira. While the short-term outlook suggests a moderate market performance, an improved supply of dollars could provide some relief for the local currency.

**MONEY MARKET: Liquidity Squeeze Persists as NIBOR Rises, Treasury Yields Soften.....**

This week, liquidity in the financial system remained tight despite the N50 billion OMO-bill maturity and the gradual absorption of the N1.72 trillion FAAC inflow. As a result, money market rates trended higher, with the Overnight NIBOR climbing 2.14 percentage points week-on-week to 30.68%.

The 1-month and 3-month NIBOR rates also advanced, rising 1.19 percentage points and 0.42 percentage points, closing at 27.92% and 27.78%, respectively. However, the 6-month NIBOR bucked the trend, easing slightly by 0.30 percentage points to 27.70%. Key monetary rates, including the OPR and OVN, followed suit, increasing by 33bps and 34bps, settling at 27.09% and 27.67%, respectively.

In contrast, yields in the Nigeria Treasury Bills (NITTY) market trended downward across all tenors, reflecting expectations of lower money market yields and a marginal decline in stop rates at the latest primary market auction. Consequently, 1-month, 3-month, 6-month, and 12-month NITTY rates closed at 17.39%, 17.60%, 18.85%, and 21.29%, respectively.

The secondary market for Treasury Bills witnessed a bullish run, as demand for short- and mid-tenor instruments pushed average yields 35 basis points lower to 19.16%. Meanwhile, at Wednesday’s NTB primary market auction (PMA), the CBN offered N650 billion worth of instruments across standard maturities. Investor appetite remained strong, with total subscriptions soaring to N1.92 trillion, translating to a bid-to-offer ratio of 2.32x. However, the CBN opted to sell only N830.44 billion, keeping supply in check.

Stop rates saw some movement, with the 91-day bill holding steady at 17.00%, while the 182-day and 364-day maturities eased to 17.75% and 17.82%, down from 18.00% and 18.43% at the previous auction.

In the OMO-bills segment, the CBN conducted an auction on Thursday, offering N600 billion across 355-day and 362-day tenors. Demand remained strong, with total subscriptions reaching N1.88 trillion, leading to total sales of N1.68 trillion and a bid-to-cover ratio of 1.12x. Stop rates declined from the last auction, settling at 19.19% and 19.45%.

Looking ahead, the market is gearing up for N162.17 billion worth of T-bill maturities, while the CBN is set to offer N550 billion at the upcoming auction across various maturities. With interest rate expectations pointing downward, we anticipate strong investor participation and a marginal decline in market yields.

**BOND MARKET: Fixed Income Market Sees Mixed Fortunes as Eurobond Yields Rise.....**

This week in the fixed-income space, Nigeria’s plain vanilla bonds had a mixed performance, with strong buying interest in the MAR-25 and JAN-26 maturities. This demand helped push average FGN bond yields down by 8 basis points, closing at 18.45%.

On the flip side, the Eurobond market was under pressure as investors trimmed their exposure to dollar-denominated instruments. The sell-off, particularly in NOV-25, MAR-29, and SEP-33 notes, drove average Eurobond yields up by 31 basis points to 9.26%. The shift in sentiment suggests a cautious stance as global uncertainties continue to shape investor behavior.

Looking ahead, the current market sentiment is expected to persist, with investors keeping a close eye on economic signals and potential impacts on their portfolios. Will demand for local bonds remain strong, or will the bearish trend in Eurobonds spill over? The coming week will provide more clues.

**EQUITIES MARKET: Bearish Blues as ASI Lose 1.19% w/w on Global Uncertainty and Portfolio Shuffling.....**

The Nigerian equities market took a hit this week, as the All-Share Index (ASI) dipped 1.19% to close at 106,538.60 points. Investors hit the sell button, swayed by a mix of portfolio rebalancing and the ripple effects of Trump’s tariff pronouncements, which sent shockwaves through global markets. The slump came despite a flurry of positive corporate earnings releases, which, in a perfect world, should have fueled optimism. Unfortunately, sentiment remained as fragile as ever, leaving the market stuck in bearish territory.

Market capitalization wasn’t spared, slipping 0.71% week-on-week to N66.72 trillion. The decline was partly due to additional ordinary shares hitting the board from Ellah Lakes and Fidelity Bank. Meanwhile, the year-to-date (YTD) return on the ASI dropped to 3.51%, with investors licking their wounds after a N476.01 billion loss spread across four losing sessions in five trading days.

Trading activity wasn’t exactly buzzing either. Total volume edged lower by 1.62% to 1.82 billion units, while trade value took a heavier hit, sliding 8.10% to N47.23 billion. There was a slight silver lining, though, as total deals ticked up by 1.79% to 64,222 trades, suggesting some pockets of investor activity.

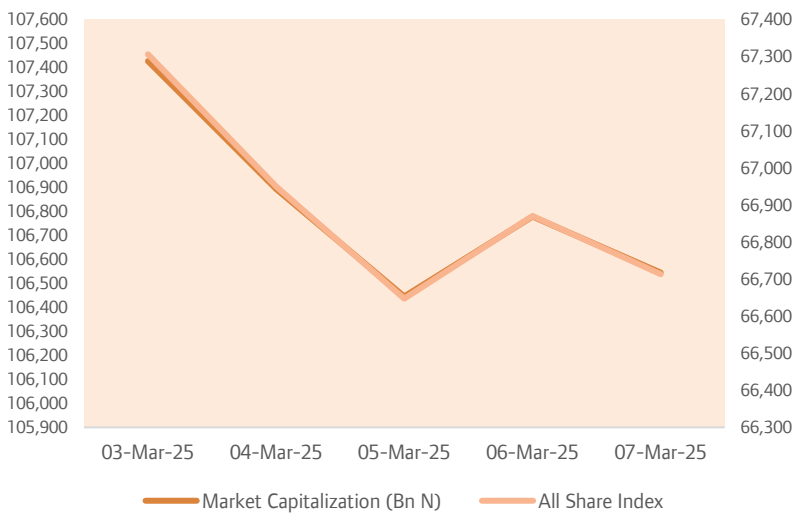
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Across the board, sectoral performance was a sorry sight. Five out of the six tracked sectors ended in the red, with the banking, insurance, and consumer goods sectors leading the decline, shedding 2.87%, 2.33%, and 1.72%, respectively.

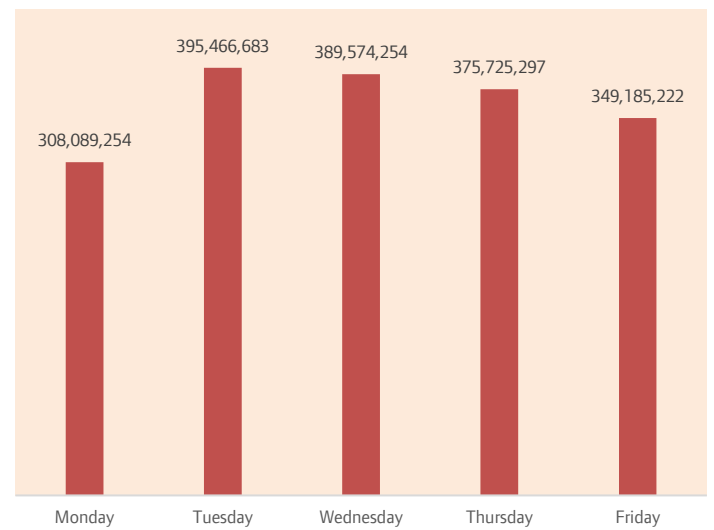
The oil and gas index followed suit with a mild 0.19% loss, while industrial stocks barely moved, slipping a marginal 0.01%. The only bright spot in an otherwise gloomy week was the NGX Commodity Index, which managed to stay afloat thanks to bullish price action in Okomu Oil and Aradel Holdings.

In the stock-specific space, Tantalizer served up the biggest gains of the week, skyrocketing 36.3%. Close behind was UHM REIT, jumping 28.6%, while Livestock Feeds, Learn Africa, and NGX Group all secured double-digit gains. On the flip side, Eterna bore the brunt of selling pressure, tumbling 18.7%, while Transcorp, FCMB, Royal Exchange, and Sovereign Insurance all suffered heavy declines.

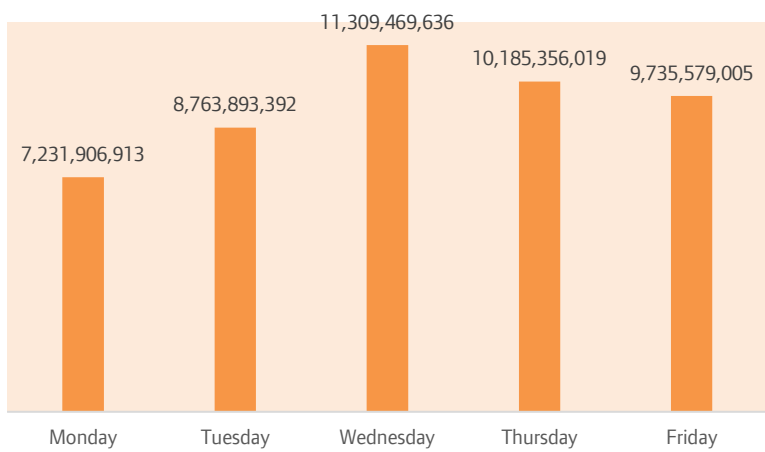
Evolution of Equities Performance Gauges



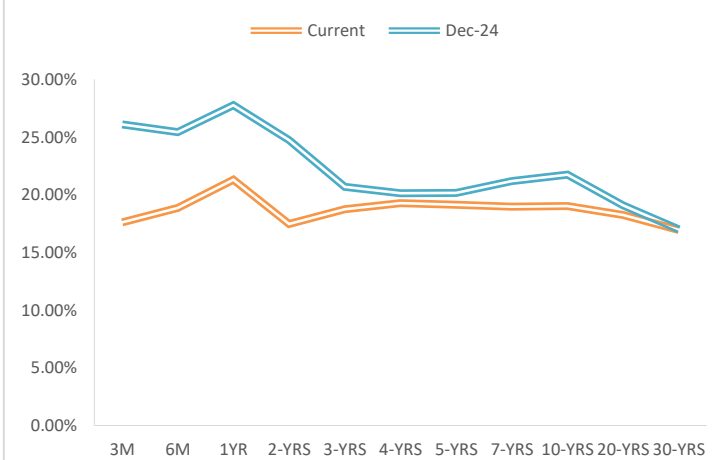
Daily Traded Volume



Daily Traded Value



NAIRA YIELD CURVE



Weekly Top Gainers and Losers as at Friday, March 7, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	07-Mar-25	28-Feb-25	% Change	Symbol	07-Mar-25	28-Feb-25	% Change
TANTALIZER	2.59	1.90	36.3%	ETERNA	34.15	42.00	-18.7%
UHOMEIT	56.90	44.25	28.6%	TRANSCORP	46.90	57.00	-17.7%
LIVESTOCK	8.35	7.43	12.4%	FCMB	9.10	10.60	-14.2%
LEARNAFRCA	3.63	3.30	10.0%	ROYALEX	0.78	0.90	-13.3%
NGXGROUP	33.00	30.00	10.0%	SOVRENINS	0.99	1.14	-13.2%
SCOA	3.78	3.44	9.9%	CAVERTON	2.60	2.95	-11.9%
EUNISELL	10.75	9.80	9.7%	IKEJAHOTEL	10.70	12.10	-11.6%
CILEASING	4.00	3.70	8.1%	UCAP	19.95	22.20	-10.1%
GUINNESS	79.90	74.00	8.0%	REDSTAREX	5.94	6.60	-10.0%
JOHNHOLT	8.60	7.98	7.8%	MULTIVERSE	8.80	9.75	-9.7%

### FGN Eurobonds Trading Above 7% Yield as at Friday, March 7, 2025

FGN Eurobonds	Issue Date	TTM (years)	07-Mar-25 Price (N)	Weekly USD Δ	07-Mar-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.71	100.20	-0.27	7.3%	0.40
6.50 NOV 28, 2027	28-Nov-17	2.73	96.90	-0.55	7.8%	0.24
6.125 SEP 28, 2028	28-Sep-21	3.56	92.43	-0.93	8.7%	0.34
8.375 MAR 24, 2029	24-Mar-22	4.05	98.03	-1.42	9.0%	0.42
7.143 FEB 23, 2030	23-Feb-18	4.97	92.14	-1.32	9.2%	0.36
8.747 JAN 21, 2031	21-Nov-18	5.88	97.79	-1.39	9.2%	0.31
7.875 16-FEB-2032	16-Feb-17	6.95	91.22	-1.83	9.6%	0.39
7.375 SEP 28, 2033	28-Sep-21	8.57	86.43	-1.83	9.8%	0.35
7.696 FEB 23, 2038	23-Feb-18	12.98	82.97	-1.60	10.1%	0.25
7.625 NOV 28, 2047	28-Nov-17	22.74	77.85	-1.76	10.1%	0.24
9.248 JAN 21, 2049	21-Nov-18	23.89	91.97	-1.78	10.2%	0.21
8.25 SEP 28, 2051	28-Sep-21	26.58	81.46	-2.06	10.3%	0.26

### Weekly Stock Recommendations as at Friday, March 7, 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
ETERNA OIL PLC	2.48	2.82	5.16	6.62	13.80x	48.7	23.1	34.15	45.0	29.0	39.3	31.77	Buy
FIDELITY BANK	7.02	7.95	21.51	0.82	2.51x	21.00	8.50	17.25	24.7	15.0	20.2	40.57	Buy
LAFARGE AFRICA	6.22	6.99	31.33	2.39	12.06x	78.55	29.00	75.00	97.0	63.8	86.3	29.33	Buy
MAY & BAKER PLC	0.98	1.04	5.78	1.26	7.39x	11.15	5.08	7.95	10.3	6.2	8.3	41.79	Buy
PRESCO OIL PLC	104.28	117.31	172.62	4.55	7.53x	785.00	210.00	785.00	957.0	667.3	902.8	21.91	Buy
ZENITH BANK PLC	26.34	29.50	111.76	0.42	1.80x	52.00	29.70	47.80	67.0	40.2	54.4	41.65	Buy

### U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, March 7, 2025

MAJOR	07-Mar-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0873	1.0784	0.82%	4.72%	5.43%	-0.64%
GBPUSD	1.2925	1.2880	0.35%	2.71%	4.45%	0.47%
USDCHF	0.8778	0.8843	-0.74%	-2.83%	-3.71%	0.00%
USDRUB	88.9258	88.9970	-0.08%	-0.50%	-8.99%	-2.22%
USDNGN	18.2400	18.1024	0.76%	0.65%	0.74%	-5.09%
USDZAR	18.2400	18.1024	0.76%	-2.20%	-0.99%	-2.50%
USDEGP	50.6839	50.6282	0.11%	0.13%	0.83%	2.67%
USDCAD	20.29	20.2932	-0.04%	-0.71%	0.24%	6.49%
USDMXN	20.29	20.2932	-0.04%	-1.29%	-1.59%	20.65%
USDBRL	5.77	5.7647	0.17%	-1.85%	-0.18%	16.00%
AUDUSD	0.5713	0.5743	-0.52%	1.53%	0.32%	-4.97%
NZDUSD	0.5713	-0.0600	-0.52%	1.99%	1.13%	-7.47%
USDJPY	7.2351	7.2438	-0.12%	-2.32%	-3.24%	0.00%
USDCNY	7.2351	7.2438	-0.12%	-0.84%	-1.07%	0.46%
USDINR	87.0840	87.1537	-0.08%	-0.43%	-0.44%	5.26%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, March 7, 2025

Commodity		07-Mar-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	67.7	66.4	2.06%	-2.92%	-6.35%	-12.61%
BRENT	USD/Bbl	70.9	69.5	2.07%	-2.63%	-6.56%	-13.02%
NATURAL GAS	USD/MMBtu	4.2	9.8	-2.65%	9.07%	21.42%	117.46%
GASOLINE	USD/Gal	2.1	2.1	1.71%	-4.24%	1.24%	-15.27%
COAL	USD/T	104.7	104.1	0.58%	4.60%	-2.38%	-22.73%
GOLD	USD/t.oz	2,920.2	2,910.3	0.34%	2.22%	0.10%	34.12%
SILVER	USD/t.oz	32.5	32.6	-0.46%	4.15%	1.13%	33.38%
WHEAT	USD/Bu	529.0	535.2	-1.15%	-1.44%	-8.67%	-1.58%
PALM-OIL	MYR/T	4,638.0	4,479.9	3.53%	1.87%	0.94%	10.98%
COCOA	USD/T	8,357.4	8,036.7	3.99%	-4.98%	-13.27%	20.75%

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