

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

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FOREX MARKET: Oil Prices Tumble Amid Escalating Trade Tensions; Naira Trades Mixed as FX Reserves Dip....

Looking ahead, analysts expect a relatively stable outing for the naira in the coming week, supported by continued Central Bank interventions aimed at managing volatility and preserving FX stability.....

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BOND MARKET: Quiet Trading in Local Bonds, While Eurobond Yields Surge Amid Global Trade Tensions.....

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EQUITIES MARKET: Nigerian Equities Open April in the Red by 0.14% w/w Despite Robust Earnings Season...

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DOMESTIC ECONOMY: Nigeria's 14% Tariff Fallout with US: A Macroeconomic Curveball for Balanced Defensive Policies...

On 2 April 2025, U.S. President Donald Trump announced a 14% tariff on imports from Nigeria, as part of a sweeping protectionist policy targeting multiple countries. The initiative includes a baseline 10% tariff on all imports into the United States, with steeper rates imposed on specific nations. The White House claims the move is designed to correct trade imbalances and bolster domestic manufacturing. However, the policy has sparked widespread concern over its implications for international trade and diplomatic relations.

At the heart of these concerns lies the African Growth and Opportunity Act (AGOA), which since 2000 has granted duty-free access to the U.S. market for eligible Sub-Saharan African countries, including Nigeria. The newly imposed tariffs place the future of this trade framework in jeopardy. Nigeria, a major AGOA beneficiary, has used the preferential access to expand its exports in apparel, agricultural produce, and select manufactured goods. Now, that progress stands threatened.

The announcement has already roiled financial markets, triggering a wave of volatility across major U.S. stock indices. Economists warn that the tariff escalation could undermine global economic growth, raise consumer prices, and provoke retaliatory actions from affected nations. Indeed, both the European Union and China have hinted at potential countermeasures, fuelling fears of a broader trade war.

Nigeria, Africa's largest economy and a longstanding trade partner of the United States, is particularly exposed to the fallout. The bilateral relationship spans crude oil, agricultural goods, machinery, vehicles, and services. In 2024, Nigeria's exports to the U.S. totalled N5.52 trillion, while imports—largely crude oil, butanes, and used vehicles— from Nigeria stood at N4.07 trillion, according to the National Bureau of Statistics. These figures have historically fluctuated in response to oil prices, shifts in U.S. energy policy, and domestic economic conditions.

As global trade dynamics shift under this new wave of U.S. protectionism, the resilience of Nigeria's economy will be put to the test. We think that President Trump's 14% reciprocal tariff has cast a shadow over the stability of this trade partnership. While the move is framed as a strategy to safeguard American industry, it risks triggering broader friction, especially if Nigeria responds by exploring alternative trade alliances with China, the European Union, or BRICS countries. Beyond trade, U.S. investment in Nigeria spans vital sectors including oil, technology, and finance. American giants such as Chevron, ExxonMobil, and Microsoft maintain a strong presence in the Nigerian market. But growing trade tensions could dampen investor confidence and strain diplomatic ties unless carefully managed.

From a macroeconomic perspective, the imposition of the tariff threatens to exacerbate Nigeria's existing vulnerabilities. Reduced export earnings, particularly from non-oil sectors, could diminish foreign exchange inflows, heightening pressure on the naira. This could deepen Nigeria's foreign exchange liquidity crisis, potentially forcing the Central Bank to deplete its already stretched reserves or tighten currency controls. Inflation is also likely to accelerate, as Nigeria may be compelled to source critical imports like wheat, pharmaceuticals, and industrial machinery from more expensive markets. This would elevate input costs, worsen food inflation, and erode purchasing power.

On the geopolitical front, the tariff may prompt Nigeria to recalibrate its foreign policy—deepening ties with alternative partners such as China, the European Union, and the BRICS bloc. It may also look inward, seeking stronger regional cooperation within ECOWAS and the African Union to establish new trade corridors and collective negotiation frameworks.

FOREX MARKET: Oil Prices Tumble Amid Escalating Trade Tensions; Naira Trades Mixed as FX Reserves Dip...

Oil prices plunged sharply on Friday, capping off a tumultuous week marked by rising global trade tensions. Brent crude fell \$4.68 or 6.67% to close at \$65.46 per barrel, while U.S. West Texas Intermediate (WTI) shed \$5.07, or 7.6%, to settle at \$61.88—both benchmarks heading for their lowest closes since the height of the COVID-19 pandemic in 2021. The weekly decline marks the steepest in more than two years, triggered by China’s imposition of fresh tariffs on U.S. goods in retaliation to Washington’s recent trade measures, fuelling fears of a global recession.

The downturn in oil prices continues to weigh on Nigeria’s external reserves. The country’s gross foreign exchange reserves declined by 0.4% week-on-week to \$38.16 billion as of Thursday, reflecting weak oil export earnings amid falling crude prices.

In the FX market, the naira traded mixed across different market segments. At the official window, the local currency weakened by 1.81% to close at N1,567.02/\$, while at the parallel market, it appreciated by 1.63% week-on-week to an average of N1,535/\$, as demand softened slightly.

Looking ahead, analysts expect a relatively stable outing for the naira in the coming week, supported by continued Central Bank interventions aimed at managing volatility and preserving FX stability.

MONEY MARKET: System Liquidity Remains Elevated as Funding Rates Decline; T-Bills Market Turns Bearish.....

The Nigerian money market remained awash with liquidity this week, supported by a net inflow of N1.53 trillion, largely driven by the maturity of N651.7 billion in Nigerian Treasury Bills (T-bills) and N350 billion in Open Market Operation (OMO) bills. The ample system liquidity continued to ease funding pressures, leading to a broad-based decline in interbank rates.

The Nigerian Interbank Offered Rate (NIBOR) fell across all tenors, with the Overnight NIBOR shedding 23 basis points (bps) week-on-week to 26.77%. The 1-month, 3-month, and 6-month rates also dropped by 98bps, 64bps, and 28bps, respectively. In tandem, the Overnight (O/N) and Repo rates closed at 26.50% and 26.86%, with the O/N rate holding steady and the Repo rate declining marginally by 10bps. In the secondary market, the Nigerian Treasury Bills (NTB) yield curve was largely bearish, particularly at the mid-to-long end, with notable sell pressure on the November 2025 and December 2025 maturities. As a result, the average T-bills yield climbed by 36bps to 19.86%. Meanwhile, yields on the Nigerian Treasury Bill Tenor Yield (NITTY) showed mixed trends. The 1-month NITTY declined by 13bps, while the 3-month, 6-month, and 12-month tenors rose by 8bps, 4bps, and 8bps, respectively.

Looking ahead, liquidity is expected to remain buoyant with anticipated inflows of N927.25 billion in T-bill maturities and N150 billion in OMO maturities in the coming week. These inflows are likely to support robust system liquidity and drive strong investor participation in the scheduled auctions.

BOND MARKET: Quiet Trading in Local Bonds, While Eurobond Yields Surge Amid Global Trade Tensions.....

The Nigerian secondary bond market closed the week on a quiet but mildly positive note, as subdued trading activity was observed across the curve. However, there was moderate demand for bonds at the mid-tenor segment, which helped nudge the average yield marginally lower by 1 basis point to 18.04% by week's end.

In contrast, the Nigerian Sovereign Eurobond market continued to face sustained bearish pressure. Broad-based sell-offs were recorded across maturities, reflecting heightened investor caution amid escalating global trade tensions, notably the expanding tariff standoff between major economies. As a result, the average Eurobond yield spiked by 130 basis points (bps) week-on-week, settling at 10.94%.

Looking ahead, the current cautious sentiment is expected to persist in the near term as investors remain sensitive to both domestic developments and external macroeconomic risks, particularly the ripple effects of ongoing global trade frictions on sovereign debt instruments.

The Nigerian stock market began April on a bearish note, extending the negative momentum from March, which ended with a 2.0% month-on-month decline. In a holiday-shortened trading week, the NGX All-Share Index (ASI) slipped by 0.14% week-on-week to close at 105,511.89 points, despite the release of impressive 2024 audited financials and generous dividend declarations, particularly from the banking sector.

Investor sentiment remained cautious as portfolio rebalancing activities marked the start of a new trading quarter. Consequently, the market capitalisation of listed equities declined by N109.98 billion, representing a 0.17% week-on-week loss to settle at N66.15 trillion.

During the week, the Nigerian Exchange (NGX) announced the regulatory delisting of Capital Oil Plc, Goldlink Insurance Plc, and Medview Airlines Plc for failing to meet listing requirements. Despite recent volatility, the year-to-date return on the NGX still printed a modest +2.51%.

Market activity was notably subdued. Total trades dropped by 30.85% week-on-week to 42,397 transactions, while volume and value traded declined significantly by 84.26% and 92.76%, respectively, to 1.18 billion units valued at N28.87 billion, owing to the reduced number of trading sessions.

Looking ahead, the market is expected to trade mixed in the coming week as investors respond to ongoing dividend announcements and seek to reinvest earnings in fundamentally strong stocks. However, global market developments and local macroeconomic signals will continue to shape investor sentiment and market direction.

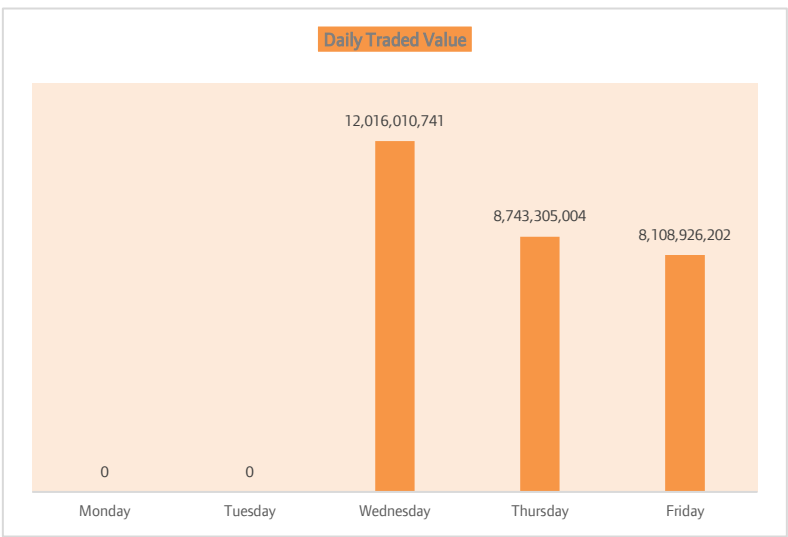
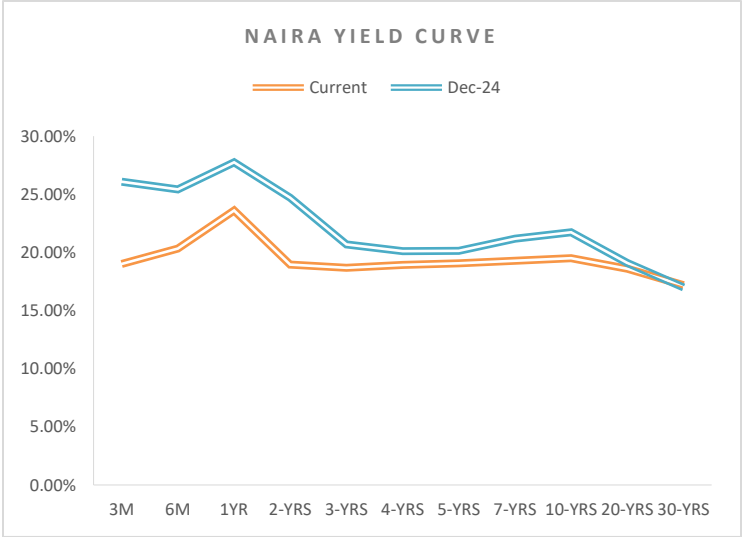
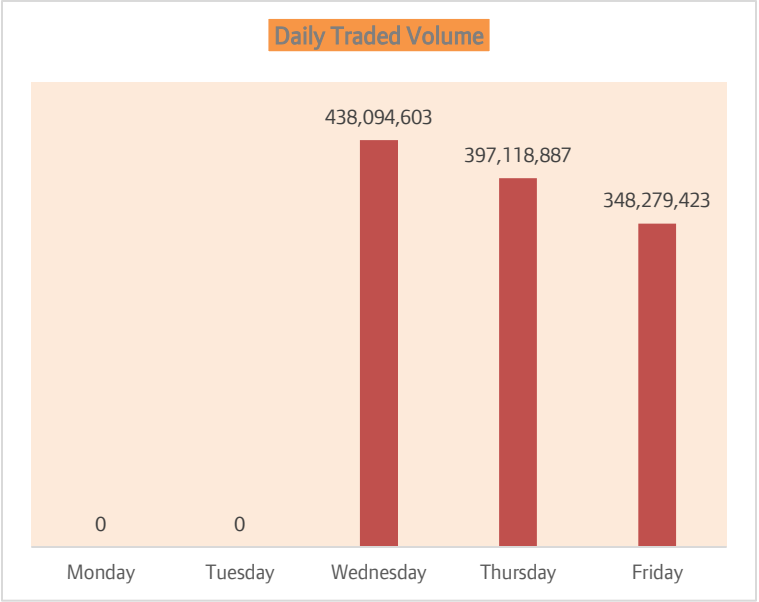
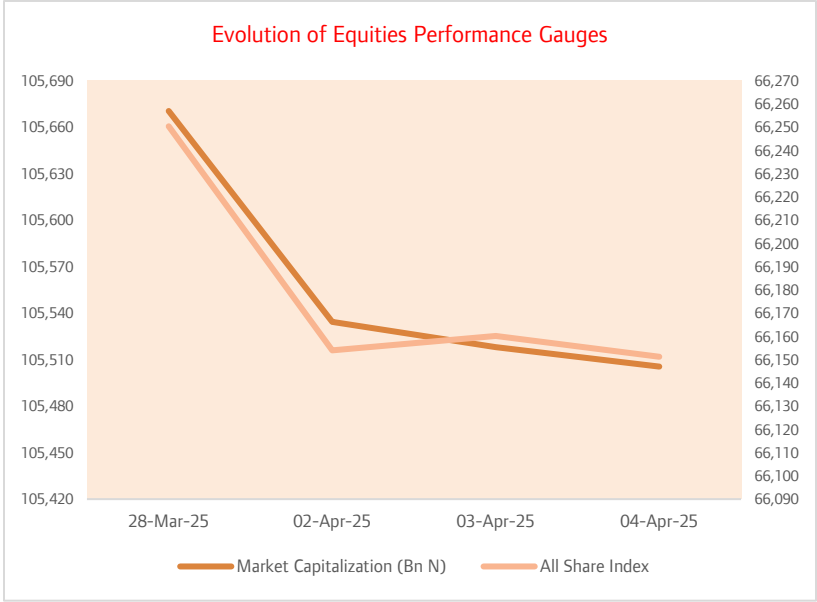
The exchange recorded 21 gainers against 51 laggards, resulting in a weak market breadth of 0.41x, underscoring the prevailing bearish sentiment.

On the sectoral front, performance was largely negative, with the exception of the NGX Banking Index, which rose by 1.50% week-on-week, buoyed by positive sentiment in GTCO, FIDELITYBNK, ACCESSCORP, and WEMABANK. Meanwhile, the NGX Insurance Index led sectoral losses, declining by 5.36%, followed by Oil & Gas (-1.20%), Consumer Goods (-0.70%), and Industrial Goods (-0.22%), driven by sell-offs in SUNUASSURE, UNIVINSURE, OANDO, TANTALIZER, PZ Cussons, WAPCO, and CUTIX. The NGX Commodity Index remained flat for the week.

Top-performing stocks for the week included VFDGROUP (+20.8%), UNIONDICON (+19.60%), AFRIPRUD (+15.7%), NGXGROUP (+11.9%), and UPDCREIT (+10.9%). Conversely, UACN (-18.3%), SUNUASSUR (-13.4%), UNIVINSURE (-13.3%), OANDO (-13.1%), and CHIPLC (-12.8%) ranked among the worst performers.

Weekly Top Gainers and Losers as at Friday, April 4, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	04-Apr-25	28-Mar-25	% Change	Symbol	04-Apr-25	28-Mar-25	% Change
VFDGROUP	57.00	47.20	20.8%	UACN	29.00	35.50	-18.3%
UNIONDICON	5.80	4.85	19.6%	SUNUASSUR	5.76	6.65	-13.4%
AFRIPRUD	15.10	13.05	15.7%	UNIVINSURE	0.52	0.60	-13.3%
NGXGROUP	32.45	29.00	11.9%	OANDO	42.00	48.35	-13.1%
UPDCREIT	6.10	5.50	10.9%	CONHALLPLC	3.12	3.58	-12.8%
DAARCOMM	0.66	0.60	10.0%	TANTALIZER	2.60	2.90	-10.3%
FIDSON	19.45	18.05	7.8%	LASACO	2.34	2.60	-10.0%
TRANSCOHOT	145.00	135.35	7.1%	PZ	33.40	37.10	-10.0%
UPDC	3.15	2.97	6.1%	UPL	3.89	4.32	-10.0%
CWG	8.40	8.00	5.0%	OMATEK	0.64	0.71	-9.9%



FGN Eurobonds Yields Above 8% as at Friday, April 4, 2025

FGN Eurobonds	Issue Date	TTM (years)	04-Apr-25 Price (N)	Weekly USD Δ	04-Apr-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.63	99.63	-0.49	8.2%	0.81
6.50 NOV 28, 2027	28-Nov-17	2.65	92.18	-3.85	9.9%	1.74
6.125 SEP 28, 2028	28-Sep-21	3.49	87.27	-3.99	10.6%	1.50
8.375 MAR 24, 2029	24-Mar-22	3.97	91.91	-4.87	10.9%	1.58
7.143 FEB 23, 2030	23-Feb-18	4.89	85.39	-4.94	11.1%	1.43
8.747 JAN 21, 2031	21-Nov-18	5.80	90.07	-5.47	11.1%	1.35
7.875 16-FEB-2032	16-Feb-17	6.87	83.26	-5.83	11.5%	1.35
7.375 SEP 28, 2033	28-Sep-21	8.49	78.23	-6.30	11.5%	1.33
7.696 FEB 23, 2038	23-Feb-18	12.90	73.95	-7.16	11.6%	1.27
7.625 NOV 28, 2047	28-Nov-17	22.67	68.57	-7.03	11.6%	1.11
9.248 JAN 21, 2049	21-Nov-18	23.82	82.14	-7.47	11.4%	1.01
8.25 SEP 28, 2051	28-Sep-21	26.50	71.28	-7.37	11.8%	1.12

Weekly Stock Recommendations as at Friday, April 4, 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	32.89	36.59	128.34	0.37	1.43x	52.00	29.70	47.90	64.0	40.0	54.1	36.03	Buy
GTCO PLC	35.44	40.75	95.51	0.73	1.96x	70.00	32.35	69.40	96.8	59.1	79.9	39.34	Buy
JULIUS BERGER	9.20	10.35	215.83	0.63	14.89x	172.5	58.5	137.00	172.0	116.5	157.6	25.55	Buy
NASCON PLC	5.77	6.49	15.93	2.64	7.28x	65.90	30.00	42.00	62.0	35.7	48.3	47.62	Buy
UNITED BANK FOR AFRICA	21.73	24.17	99.96	0.37	1.70x	39.95	18.90	36.85	50.0	31.4	42.4	35.50	Buy

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

MAJOR	04-Mar-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0949	1.1052	-0.93%.	1.11%	1.48%	1.05%
GBPUSD	1.2890	1.3099	-1.60%.	-0.35%.	-0.04%.	2.01%
USDCHF	0.8619	0.8592	0.31%	-2.15%.	-3.27%.	-4.38%.
USD RUB	84.4958	83.9251	0.68%	-0.53%.	-6.53%.	-8.66%.
USDNGN	19.1013	18.7084	2.10%	-0.24%.	2.58%	23.30%
USDZAR	19.1013	18.7084	2.10%	3.92%	4.37%	2.32%
USDEGP	50.5997	50.5946	0.01%	0.15%	-0.05%.	6.90%
USDCAD	20.46	19.9434	2.58%	-0.66%.	-0.87%.	4.60%
USDMXN	20.46	19.9434	2.58%	0.46%	0.26%	24.39%
USDBRL	5.83	5.6299	3.59%	1.28%	1.65%	15.17%
AUDUSD	0.5602	0.5803	-3.46%.	-3.80%.	-4.54%.	-8.06%.
NZDUSD	0.5602	-0.0600	-3.46%.	-2.10%.	-2.04%.	-6.92%.
USDJPY	7.2923	7.2800	0.17%	-2.00%.	-1.36%.	-3.13%.
USDCNY	7.2923	7.2800	0.17%	0.31%	0.79%	0.65%
USDINR	85.4350	85.2815	0.18%	-0.11%.	-1.63%.	2.58%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, April 4, 2025

Commodity		04-Mar-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	62.9	67.0	-6.12%.	-9.40%.	-5.23%.	-27.69%.
BRENT	USD/Bbl	66.4	70.1	-5.27%.	-8.73%.	-4.17%.	-27.16%.
NATURAL GAS	USD/MMBtu	3.8	9.8	-7.51%.	-5.92%.	-14.06%.	114.24%
GASOLINE	USD/Gal	2.1	2.2	-3.68%.	-7.16%.	-2.70%.	-25.19%.
COAL	USD/T	99.4	101.0	-1.58%.	-2.55%.	-2.07%.	-22.46%.
GOLD	USD/t.oz	3,036.6	3,112.8	-2.45%.	-1.74%.	3.87%	30.10%
SILVER	USD/t.oz	29.8	31.9	-6.65%.	-12.87%.	-8.96%.	8.06%
WHEAT	USD/Bu	530.0	536.0	-1.12%.	0.33%	-0.14%.	-6.57%.
PALM-OIL	MYR/T	4,329.0	4,490.2	-3.59%.	-2.06%.	-2.01%.	-2.13%.
COCOA	USD/T	8,503.3	9,238.7	-7.96%.	6.19%	6.31%	-13.19%.

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