

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

DOMESTIC ECONOMY: Inflation Cooldown Deepens in April to 23.71%: A Turning Point or Just a Statistical Mirage....

Looking ahead, we anticipate further moderation in inflation, projecting headline CPI to ease to 22.65% in May 2025. This forecast is underpinned by expectations of seasonal harvests that should support food supply, improved logistics efficiency, falling petrol prices, and modest domestic energy cost adjustments. However, we caution that persistent structural bottlenecks, including exchange rate volatility and poor infrastructure, may limit the extent of disinflation and keep overall price levels elevated.....

EQUITIES MARKET: NGX Advances 0.90% as Softer Inflation and Dividend Season Bolster Investor Sentiment.....

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DOMESTIC ECONOMY: Inflation Cooldown Deepens in April to 23.71%: A Turning Point or Just a Statistical Mirage...

The latest Consumer Price Index (CPI) report from the NBS indicates that headline inflation eased to 23.71% in April 2025, down from 24.23% in March 2025. This reflects a 0.52 percentage points (ppts) decline on a month-on-month basis and reinforces the gradual deceleration in price pressures observed in recent months; m/m, headline inflation stood at 1.86% in April 2025, down sharply from 3.90% in March 2025 — a 2.04ppt drop, indicating a slower pace in price increases between March and April.

This disinflationary trend largely stems from the easing of food prices, which had spiked sharply in the preceding month. The April slowdown was further supported by a relative stabilisation in the local currency, which helped dampen imported price pressures. Notably, this moderation in inflation comes in the wake of a recent rebasing of the CPI basket by the NBS, which has altered the composition and weightings within the index, offering a more accurate reflection of Nigeria's current consumption patterns.

Food inflation, a major driver of overall CPI, came in at 21.26% y/y in April 2025, a sharp 19.27ppt decrease from 40.53% in April 2024. The steep fall is largely attributed to the base year re-benchmarking, rather than a fundamental improvement in food supply chains. On a m/m basis, food inflation declined marginally to 2.06% in April, from 2.18% in March, reflecting slight price moderation in essential food items.

The decrease can be attributed to the rate of decrease in the average prices of Maize (Corn) Flour, Wheat Grain, Okro Dried, Yam Flour, Soya Beans, Rice, Bambara beans, Brown Beans, etc. However, imported food inflation, as expected, climbed by 1.25% m/m, up from 0.48% m/m in the prior month while

Nigeria's high import bill, increased global trade tensions brought on by President Trump's tariffs are a significant layer of additional pressure.

Also, the core inflation, which excludes volatile items such as food and energy, stood at 23.39% y/y in April 2025, representing a 3.45ppt decline from 26.84% in April 2024. Monthly reading shows core inflation also slowed sharply to 1.34% in April, from 3.73% in March — a substantial 2.39ppt drop, suggesting underlying inflationary momentum is weakening. Meanwhile, the energy index, a newly introduced measure designed to track price pressures in the energy sector, rose to 13.50% m/m in April, up from 9.21% m/m, reflecting volatile energy prices during the review month.

At the state level, inflationary trends remained divergent. On a year-on-year basis, Enugu, Kebbi, and Niger states reported the highest headline inflation rates, coming in at 35.98%, 35.13%, and 34.85% respectively. In contrast, states such as Ondo (13.42%), Cross River (17.11%), and Kwara (17.28%) recorded the slowest price growth. Month-on-month, Sokoto (16.26%), Nasarawa (16.02%), and Niger (14.74%) led the inflationary spike, while Oyo, Osun, and Ondo saw outright monthly declines, posting -6.45%, -4.54%, and -3.44%, respectively.

Food inflation mirrored similar state-level disparities. Benue led the country with a staggering 51.76% year-on-year increase, followed by Ekiti (34.05%) and Kebbi (33.82%). On the flip side, states like Ebonyi (7.19%), Adamawa (9.52%), and Ogun (9.91%) reported more subdued food inflation. Monthly food inflation was highest in Benue (25.59%), Ekiti (16.73%), and Yobe (13.92%), while Ebonyi (-14.43%), Kano (-11.37%), and Ogun (-7.06%) saw the most significant drops.

The April 2025 CPI report reflects a welcome, broad-based slowdown in inflationary pressures across all key segments — headline, food, and core. This likely marks a turning point in Nigeria's inflation narrative, particularly as the underlying drivers begin to shift. While food prices remained the largest influence on the disinflationary trend, the notable decline in core inflation, falling for the first time in four months, suggests that pricing pressures beyond the volatile food and energy categories are also beginning to ease.

Looking ahead, we anticipate further moderation in inflation, projecting headline CPI to ease to 22.65% in May 2025. This forecast is underpinned by expectations of seasonal harvests that should support food supply, improved logistics efficiency, falling petrol prices, and modest domestic energy cost adjustments. However, we caution that persistent structural bottlenecks, including exchange rate volatility and poor infrastructure, may limit the extent of disinflation and keep overall price levels elevated.

For the monetary policy committee, the upcoming meeting scheduled for May 19 – 20, 2025 assumes heightened importance. With inflation showing signs of easing and the currency relatively stable, we foresee the Committee considering a modest rate cut of 25 basis points. This would mark a cautious but symbolic shift in policy direction. At its last meeting in February, the MPC opted to pause its tightening cycle, maintaining all parameters amid early signs of inflation cooling. With the April CPI print confirming that trend, the May policy decision could mark the beginning of a measured monetary easing cycle.

EQUITIES MARKET: NGX Advances 0.90% as Softer Inflation and Dividend Season Bolster Investor Sentiment...

The Nigerian equities market ended the week on a positive note, buoyed by renewed investor confidence spurred by the ongoing dividend season and a softer inflation print. April 2025 inflation eased to 23.71%, reinforcing expectations of a more accommodative monetary policy stance ahead of the Central Bank of Nigeria’s Monetary Policy Committee (MPC) meeting scheduled for May 19–20.

Investor optimism was further supported by anticipation surrounding the release of Nigeria’s first-quarter 2025 GDP figures, which will reflect the newly rebased economic methodology.

The benchmark NGX All-Share Index appreciated by 0.90% week-on-week to close at 109,710.37 points, having touched an intra-day high of 109,850.83 points on Thursday. This performance was underpinned by strong investor interest across sectors and the continued undervaluation of several equities, resulting in multiple stocks reaching new 52-week highs.

In tandem, the market capitalization rose by N613.99 billion to close at N68.95 trillion. Consequently, the year-to-date return on the Exchange stood at 6.59%. Market breadth was strong, with 61 gainers against 31 losers, translating to a breadth ratio of 1.97x.

Despite the upbeat market sentiment, trading activity weakened over the week. The total volume of shares traded declined by 1.66% to 2.60 billion units, while the total value of trades dropped by 17.32% to N63.66 billion. The number of deals also fell by 10.15% to 77,370, suggesting a quieter trading environment despite improved market breadth.

All sectoral indices recorded gains, reflecting widespread investor optimism. The NGX Consumer Goods index led the pack with a 4.08% gain, supported by positive price movements in CHAMPION, NNFM, MAYBAKER, and HONYFLOUR. This was followed by the NGX Insurance index, which advanced by 2.47%, while the NGX Banking index gained 1.19%.

The NGX Oil and Gas index rose by 0.66%, while both the NGX Industrial and NGX Commodity indices posted marginal gains of 0.13% and 0.14% respectively. Key drivers of sectoral performance included strong buy-side activity in BETAGLASS, OANDO, CORNERSTONE, ACCESSCORP, and BERGER PAINTS.

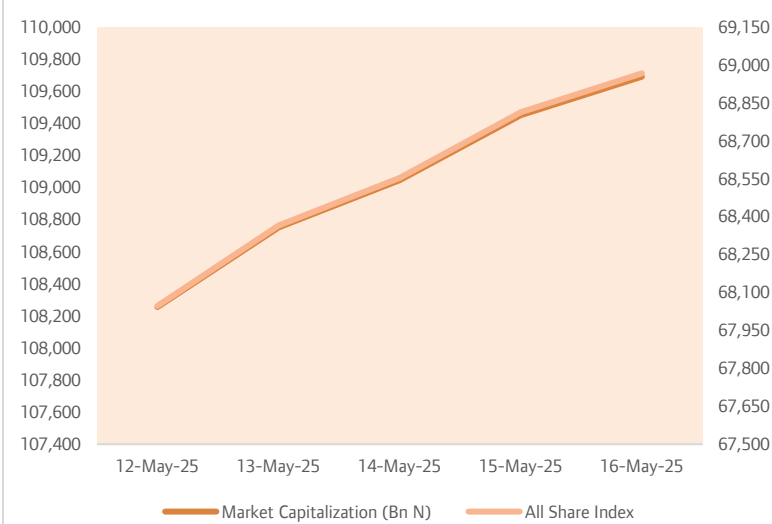
Among the week’s top performers were BETAGLASS, which gained 46.3%, followed by CHAMPION with 42.10%, CAVERTON with 37.7%, FTNCOCOA with 36.3%, and NNFM with 32.5%. On the flip side, MULTIVERSE led the laggards with a 19.5% decline, trailed by UNIONDICON at 11.8%, NAHCO at 9.6%, UPL at 8.9%, and LEGENDINT at 6.7%.

Looking ahead, we expect bullish momentum to persist into the coming week as investors continue to digest the implications of the inflation cooldown and position ahead of a possible interest rate cut by the CBN. With expectations of further policy support and improving macroeconomic indicators, sentiment is likely to remain upbeat. We continue to recommend that investors focus on equities with solid fundamentals, resilient earnings potential, and attractive valuations.

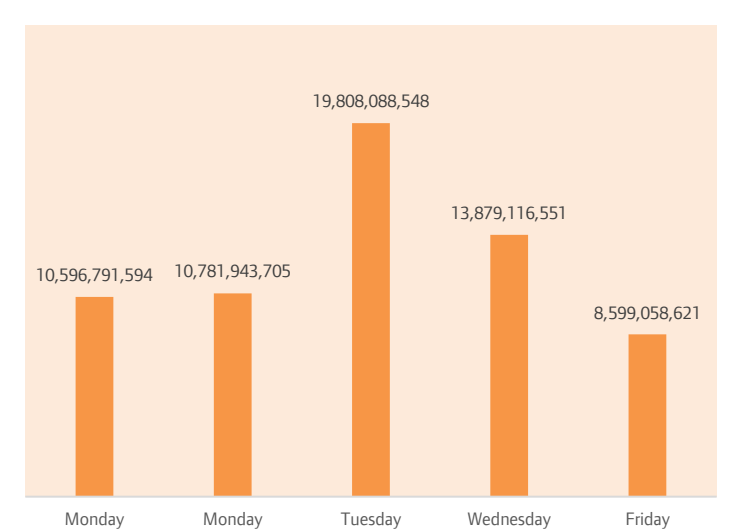
Weekly Top Gainers and Losers as at Friday, May 16, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	16-May-25	09-May-25	% Change	Symbol	16-May-25	09-May-25	% Change
BETAGLAS	235.05	160.65	46.3%	MULTIVERSE	8.05	10.00	-19.5%
CHAMPION	6.82	4.80	42.1%	UNIONDICON	7.45	8.45	-11.8%
CAVERTON	4.20	3.05	37.7%	NAHCO	75.00	83.00	-9.6%
FTNCOCOA	2.59	1.90	36.3%	UPL	4.40	4.83	-8.9%
NNFM	119.90	90.50	32.5%	LEGENDINT	8.40	9.00	-6.7%
NPFMCRFBK	2.58	1.95	32.3%	INTENEGINS	1.70	1.82	-6.6%
NEIMETH	3.70	2.93	26.3%	DANGSUGAR	38.00	39.90	-4.8%
MAYBAKER	12.70	10.10	25.7%	AIICO	1.60	1.67	-4.2%
CHELLARAM	13.05	10.40	25.5%	DEAPCAP	0.99	1.02	-2.9%
MCNICHOLS	2.12	1.70	24.7%	FIRSTHOLDCO	24.95	25.65	-2.7%

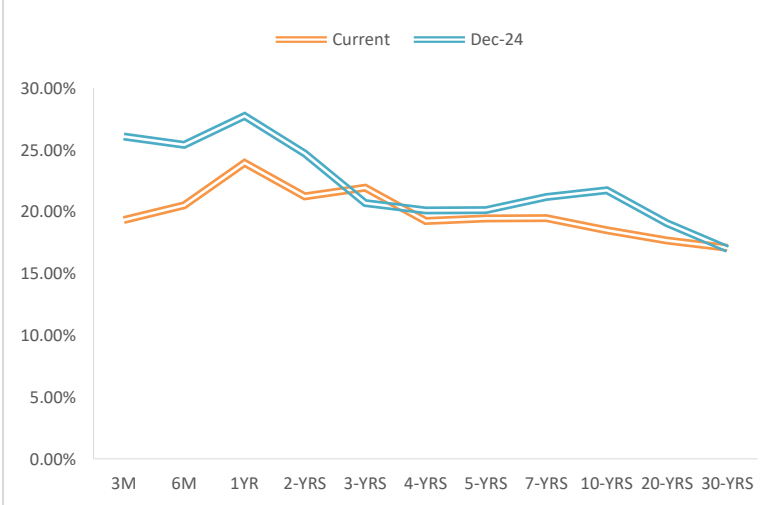
Evolution of Equities Performance Gauges



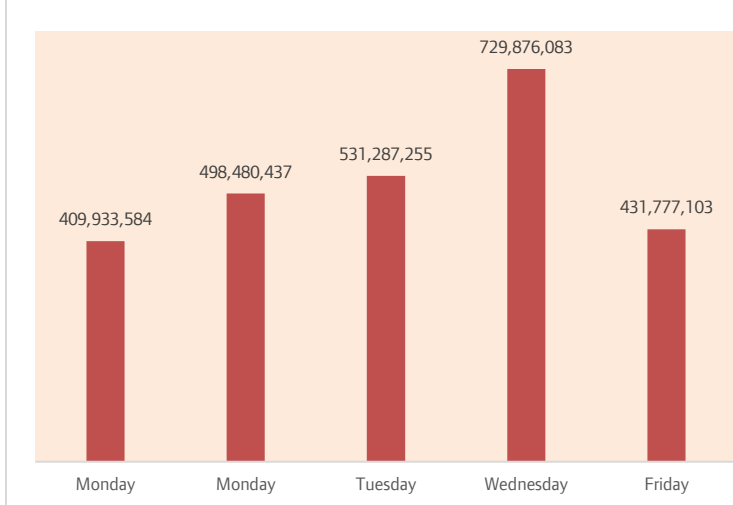
Daily Traded Value



NAIRA YIELD CURVE



Daily Traded Volume



FGN Eurobonds Trading Above 8% Yield as at Friday, May 16, 2025

FGN Eurobonds	Issue Date	TTM (years)	16-May-25 Price (N)	Weekly USD Δ	16-May-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.52	99.98	0.24	7.7%	-0.46
6.50 NOV 28, 2027	28-Nov-17	2.54	95.56	1.65	8.5%	-0.75
6.125 SEP 28, 2028	28-Sep-21	3.37	91.71	1.84	9.0%	-0.67
8.375 MAR 24, 2029	24-Mar-22	3.86	96.76	2.31	9.4%	-0.75
7.143 FEB 23, 2030	23-Feb-18	4.78	89.97	2.55	9.8%	-0.73
8.747 JAN 21, 2031	21-Nov-18	5.69	94.60	2.84	10.0%	-0.70
7.875 16-FEB-2032	16-Feb-17	6.76	89.14	2.86	10.1%	-0.65
7.375 SEP 28, 2033	28-Sep-21	8.38	84.12	2.91	10.3%	-0.59
7.696 FEB 23, 2038	23-Feb-18	12.78	80.56	3.05	10.5%	-0.52
7.625 NOV 28, 2047	28-Nov-17	22.55	74.69	2.84	10.6%	-0.43
9.248 JAN 21, 2049	21-Nov-18	23.70	87.45	3.30	10.7%	-0.45
8.25 SEP 28, 2051	28-Sep-21	26.39	77.64	3.26	10.8%	-0.48

Weekly Stock Recommendations as at Friday, May 16, 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
HONEYWELL FLOURMILL PLC	1.10	1.32	4.01	4.53	16.45x	18.15	3.00	18.15	27.85	15.4	20.9	53.44	Buy
ETERNA OIL PLC	0.53	0.74	4.25	10.13	81.63x	49.95	11.15	43.00	60.2	36.6	49.5	40.00	Buy
FIDELITY BANK PLC	1.81	2.63	18.59	1.13	11.57x	21.50	7.85	20.80	30.5	17.9	24.2	45.00	Buy
NIGERIAN BREWERIES PLC	1.44	2.52	15	3.64	37.90x	55.4	22.6	55.00	95.4	46.3	62.7	75.00	Buy
TRANSCORP PLC	1.92	2.61	29.22	1.52	23.17x	61.95	10.00	44.50	60.5	37.8	51.2	36.00	Buy

U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, May 16, 2025

MAJOR	16-May-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1159	1.1187	-0.25%	-0.82%	-1.82%	2.69%
GBPUSD	1.3256	1.3305	-0.37%	-0.35%	-0.05%	4.39%
USDCHF	0.8394	0.8360	0.41%	1.08%	2.34%	-7.65%
USDRUB	80.8334	80.0014	1.04%	-2.02%	-1.63%	-11.12%
USDNGN	18.1320	18.0060	0.70%	-0.41%	-0.23%	8.88%
USDZAR	18.1320	18.0060	0.70%	-0.11%	-3.45%	-0.18%
USDEGP	50.1300	50.1501	-0.04%	-0.97%	-1.84%	6.98%
USDCAD	19.54	19.4942	0.21%	0.28%	1.03%	2.69%
USDMXN	19.54	19.4942	0.21%	0.50%	-0.88%	17.68%
USDBRL	5.70	5.6828	0.32%	0.85%	-1.80%	11.72%
AUDUSD	0.5877	0.5873	0.07%	-0.34%	0.09%	-4.45%
NZDUSD	0.5877	-0.0600	0.07%	-0.59%	-1.63%	-4.16%
USDJPY	7.2082	7.2053	0.04%	0.45%	2.50%	-6.19%
USDCNY	7.2082	7.2053	0.04%	-0.43%	-1.26%	-0.32%
USDINR	85.5480	85.4369	0.13%	0.14%	0.20%	2.70%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, May 16, 2025

Commodity		16-May-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	61.9	61.6	0.53%	1.51%	-3.23%	-22.17%
BRENT	USD/Bbl	64.8	64.5	0.36%	1.35%	-4.69%	-22.87%
NATURAL GAS	USD/MMBtu	3.4	9.8	0.55%	-10.92%	4.17%	28.73%
GASOLINE	USD/Gal	2.1	2.1	-0.18%	1.00%	1.99%	-17.23%
COAL	USD/T	99.0	99.0	0.00%	0.51%	5.04%	-31.13%
GOLD	USD/t.oz	3,173.7	3,237.1	-1.96%	-4.52%	-4.58%	31.47%
SILVER	USD/t.oz	32.1	32.6	-1.72%	-2.12%	-1.50%	1.68%
WHEAT	USD/Bu	525.5	532.7	-1.36%	0.62%	-4.33%	-19.39%
PALM-OIL	MYR/T	3,870.0	3,861.9	0.21%	1.44%	-3.54%	-0.51%
COCOA	USD/T	10,733.8	10,563.7	1.61%	13.94%	27.98%	46.85%



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