

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

DOMESTIC ECONOMY: Nigeria's \$26 Billion Debt Request: A Risky Gamble on Growth Amid Fiscal Fragility.....

Cowry Research interprets the MPC's decision as a deliberate pause and portends a signal that the CBN intends to allow previous policy adjustments to flow through the economy more fully before initiating any new moves. This strategy suggests confidence in the medium-term effectiveness of earlier interventions, but also reflects caution in the face of persistent external and internal uncertainties. Nonetheless, concerns persist around the elevated cost of borrowing, which continues to constrain access to credit for both businesses and households. This tight credit environment poses downside risks to private sector-led investment and could weigh on broader economic activity or output growth in the near to medium term.....

EQUITIES MARKET: Market Extends Bullish Run by 2.49% w/w, Hits New Milestone on Upbeat Sentiment.....

Looking ahead, we anticipate that the current bullish trend will likely extend into the coming week. This optimism is driven by sustained investor interest in defensive and fundamentally sound stocks, as well as ongoing positioning ahead of the half-year earnings season. The proximity to the close of the second quarter is expected to further motivate strategic accumulation, particularly by institutional investors seeking exposure to dividend-paying and growth-oriented equities.....

DOMESTIC ECONOMY: Nigeria's \$26 Billion Debt Request: A Risky Gamble on Growth Amid Fiscal Fragility.....

This week, our attention shifts to the federal government's renewed external borrowing drive, which has reignited conversations around Nigeria's fiscal sustainability. Amid a fast-rising debt profile, the government appears to be treading a precarious path—one that may keep the country perched on a fiscal cliff.

Recently, President Bola Tinubu submitted a fresh request to the National Assembly, seeking approval for over \$21.5 billion in external loans as part of the government's 2025–2026 Borrowing Plan. This request is intended to plug financing gaps and support economic growth ambitions. Alongside the \$21.5 billion plan, the government is also pursuing additional borrowings amounting to €2.2 billion (approximately \$2.5 billion) and 15 billion yen (about \$103.97 million) from foreign sources, as well as \$2 billion in naira-denominated debt from the domestic market.

In total, these new borrowings are expected to account for roughly 60% of the total spending outlined in the proposed 2025 budget, signaling a shift in strategy. While the government had previously highlighted its intention to shift towards foreign direct investments (FDI) and attract equity investors in order to reduce reliance on debt, the latest borrowing plans appear to contrast sharply with that narrative—raising the cost of borrowing and placing increased pressure on fiscal stability.

According to official disclosures, the borrowing plan targets strategic sectors such as infrastructure, agriculture, health, education, water supply, security, financial and monetary reforms, as well as job creation and growth support. The proposed borrowing strategy is embedded within the broader Medium-Term Expenditure Framework (MTEF), in accordance

with the Fiscal Responsibility Act (2007) and the Debt Management Office (DMO) Act (2003).

Recent data from the DMO reveals that Nigeria's total public debt stood at \$94.23 billion (N144.67 trillion) as of December 2024, compared to \$108.23 billion (N97.23 trillion) a year earlier. This apparent dollar decline was largely driven by the devaluation of the naira rather than actual reductions in debt levels. External debt service alone stood at \$4.66 billion in 2024, comprising \$2.80 billion in principal repayments, \$1.74 billion in interest payments, and \$120.13 million in various charges such as fees and commissions.

Breaking this down by creditor groups, multilateral lenders received the largest share of repayments (\$2.62 billion), followed by commercial lenders (\$1.47 billion), while bilateral creditors accounted for \$570.67 million. The latter category often reflects higher concessional terms but also comes with elevated administrative and embedded costs.

For context, since assuming office in May 2023, the Tinubu administration has already secured \$7.2 billion in external loans—entirely from the World Bank. These funds have been channelled toward a mix of socio-economic projects, including \$750 million for power sector recovery, \$500 million for women empowerment, \$800 million for social safety nets, and \$700 million to support adolescent girls' education.

The largest tranche, \$2.25 billion, was secured in June 2024 for economic stabilization efforts, including macroeconomic reforms and fiscal rebalancing. An additional \$1.57 billion is scheduled for disbursement in September 2024 to fund health, education, and power projects, while \$632 million is expected in March 2025 for nutrition and human capital development.

Despite these well-intentioned allocations, Cowry Research notes that the government's borrowing appetite remains a source of concern, particularly as a significant portion of the loans—both current and proposed—will go toward financing recurrent and capital expenditures without a corresponding increase in sustainable revenue streams. The current decline in global oil prices below the \$75 per barrel benchmark further clouds Nigeria's revenue outlook, especially given the heavy reliance on oil for budgetary support.

While the administration frames these loan programmes as catalysts for long-term development, serious questions remain around fund utilization, project outcomes, and overall fiscal transparency. Without robust accountability and sustainability frameworks, even development-focused borrowing could compound Nigeria's economic vulnerabilities. Furthermore, the composition of Nigeria's debt portfolio remains skewed, with a high concentration of liabilities at the federal level, and an imbalanced mix between external and domestic debts. Although Nigeria's debt-to-GDP ratio remains within the DMO's prescribed threshold, the true fiscal threat lies in the country's surging debt servicing costs and the absence of aggressive, diversified revenue strategies. Ultimately, Nigeria's borrowing trajectory must be weighed against the country's capacity to generate revenues, absorb new debt sustainably, and deliver economic returns that justify the rising cost of credit.

EQUITIES MARKET: Market Extends Bullish Run by 2.49% w/w, Hits New Milestone on Upbeat Sentiment.....

This week, trading activities on the Nigerian Exchange (NGX) reflected a continuation of the bullish momentum witnessed in previous weeks. Investor sentiment remained upbeat, as the benchmark All-Share Index (ASI) appreciated by 2.49% week-on-week, closing at 111,742.01 points. At midweek, the index broke through the psychological barrier of 112,000 points, reaching an all-time high of 112,237.26 points before slight profit-taking pulled it back slightly at the close of trading.

The performance was underpinned by strong macroeconomic fundamentals, renewed buying interests, and positive market internals. These factors drove significant upward momentum, pushing several equities to new 52-week highs. Notably, the bullish wave was most prominent in the consumer goods and insurance sectors, which enjoyed robust demand from both retail and institutional investors.

Market capitalisation also followed suit, advancing by 2.49% in line with the index to close at an unprecedented N70.46 trillion. This increase translated to a N1.71 trillion gain in investors’ wealth over the five-day trading period. Market breadth stayed positive, with 56 gainers outperforming 44 decliners, reflecting sustained confidence in select growth and value stocks.

However, market activity in terms of trade volume and number of deals was somewhat mixed. The total number of deals recorded during the week declined by 14.9% to 89,380 transactions, while the total trade volume fell by 3.51% to 3.78 billion units. In contrast, total trade value surged significantly by 59.8% to N119.19 billion. This suggests that although fewer transactions took place, investors showed increased appetite for high-value equities, perhaps signalling accumulation of blue-chip and large-cap stocks.

Looking ahead, we anticipate that the current bullish trend will likely extend into the coming week. This optimism is driven by sustained investor interest in defensive and fundamentally sound stocks, as well as ongoing positioning ahead of the half-year earnings season. The proximity to the close of the second quarter is expected to further motivate strategic accumulation, particularly by institutional investors seeking exposure to dividend-paying and growth-oriented equities. With momentum on its side, the NGX appears poised for continued growth in the near term—provided that macro and policy fundamentals remain supportive. However, as valuations rise, investors are advised to maintain a cautious stance and continue to prioritise stocks with solid fundamentals, healthy balance sheets, and resilient earnings potential.

Across sectoral indices, the market posted broadly positive performance with the exception of the NGX Oil and Gas Index, which declined by 2.05%. This drop was largely due to profit-taking in heavyweights such as SEPLAT, MRS Oil, and CONOIL. On the other hand, the NGX Consumer Goods Index led sectoral gainers with a 3.78% increase week-on-week, buoyed by renewed demand for food and beverage stocks. The NGX Insurance Index rose by 1.02%, while the Banking Index gained 0.66%, supported by price appreciations in tier-one banks. The Industrial Index edged higher by 0.35%, and the NGX Commodity Index posted a modest 0.14% gain.

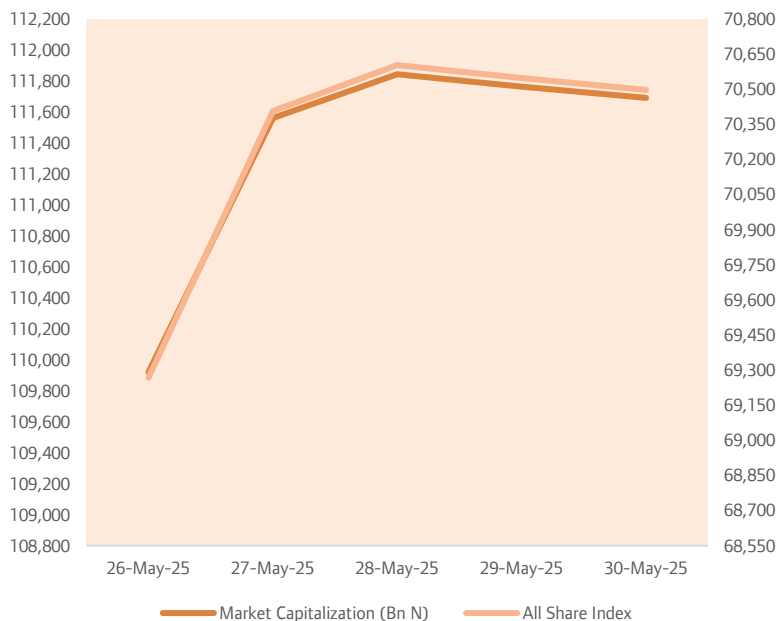
Several individual stocks contributed meaningfully to the rally, with notable gains in NAHCO, ARADEL, Airtel Africa, Okomu Oil, Guinea Insurance, Honeywell Flour Mills, Livestock Feeds, Ecobank Transnational Inc (ETI), AXA Mansard, Zenith Bank, Fidelity Bank, Custodian Investment, SCOA, and RT Briscoe. These counters attracted increased investor attention due to improved earnings outlook, corporate action expectations, or positive sector developments.

In terms of best-performing stocks for the week, Universal Insurance Plc (UPL) led the pack with a 35.3% gain, followed by Red Star Express Plc (REDSTAREX) with a 24% return. Other strong performers included Omatek Ventures Plc (OMATEK), ABC Transport Plc (ABCTrans), and Northern Nigeria Flour Mills Plc (NNFM), which posted weekly gains of 20%, 18.5%, and 17%, respectively. Conversely, the worst-performing stocks included Abbey Mortgage Bank (ABBEYBDS), which shed 26.9% of its value, Legend Internet (LEGEND) down 18.9%, Enamelware (ENAMELWA) with an 18.8% loss, and both International Medical Group (IMG) and Multiverse Mining and Exploration (MULTIVERSE), each declining by 15.6%.

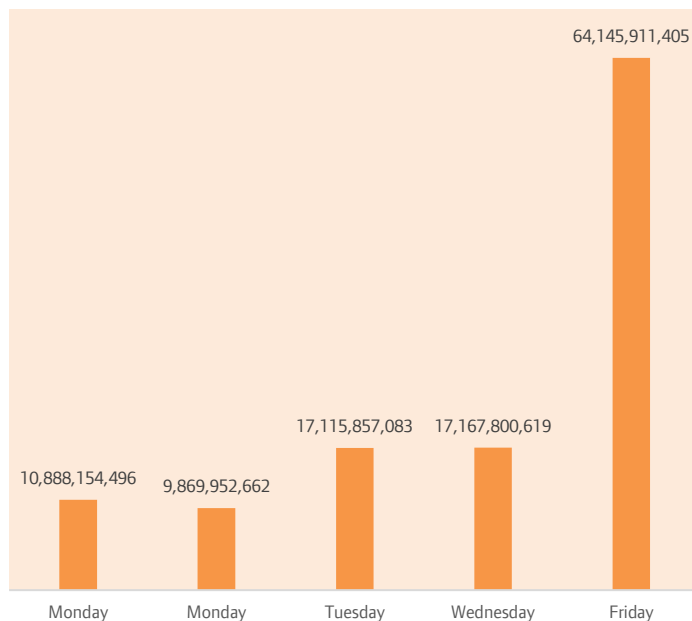
Weekly Top Gainers and Losers as at Friday, May 30, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	30-May-25	23-May-25	% Change	Symbol	30-May-25	23-May-25	% Change
UPL	5.90	4.36	35.3%	ABBEYBDS	5.58	7.63	-26.9%
REDSTAREX	8.32	6.71	24.0%	LEGENDINT	6.16	7.60	-18.9%
OMATEK	0.78	0.65	20.0%	ENAMELWA	20.55	25.30	-18.8%
ABCTrans	2.95	2.49	18.5%	IMG	33.65	39.85	-15.6%
NNFM	138.90	118.70	17.0%	MULTIVERSE	7.60	9.00	-15.6%
ARADEL	530.00	460.00	15.2%	SEPLAT	4,964.40	5,588.90	-11.2%
NAHCO	80.75	71.00	13.7%	SKYAVN	59.00	66.40	-11.1%
MCNICHOLS	2.60	2.29	13.5%	CWG	9.10	10.20	-10.8%
FTNCOCOA	2.57	2.28	12.7%	MEYER	8.80	9.80	-10.2%
SOVRENINS	1.08	0.96	12.5%	BETAGLAS	232.65	258.50	-10.0%

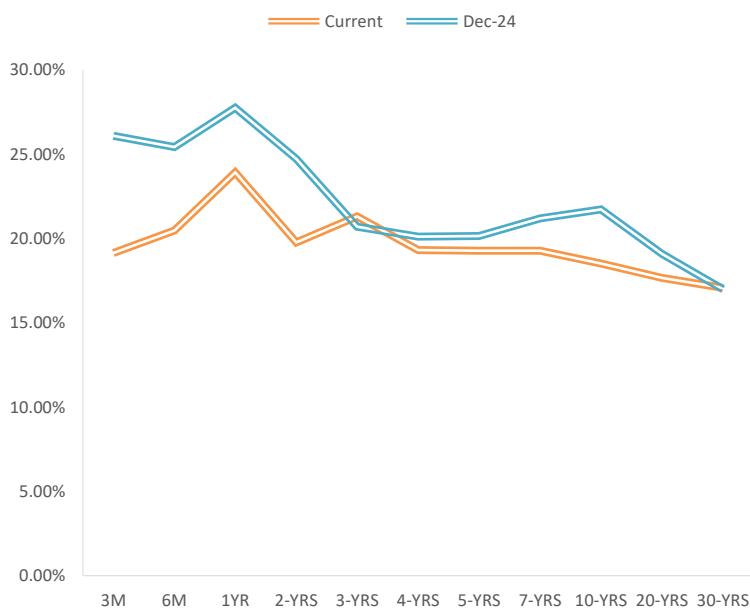
Evolution of Equities Performance Gauges



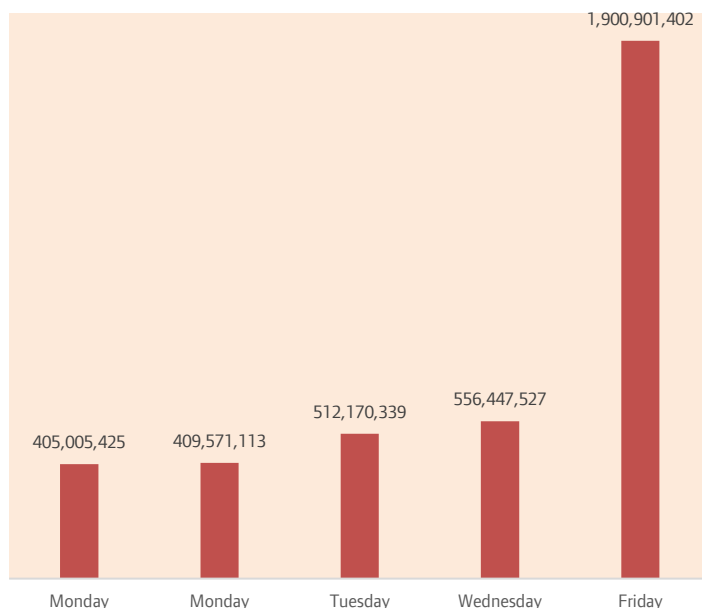
Daily Traded Value



NAIRA YIELD CURVE



Daily Traded Volume



FGN Eurobonds Trading Above 8% Yield as at Friday, May 30, 2025

FGN Eurobonds	Issue Date	TTM (years)	30-May-25 Price (N)	Weekly USD Δ	30-May-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.48	100.14	0.15	7.3%	-0.33
6.50 NOV 28, 2027	28-Nov-17	2.50	96.55	0.59	8.1%	-0.26
6.125 SEP 28, 2028	28-Sep-21	3.33	92.67	0.62	8.7%	-0.22
8.375 MAR 24, 2029	24-Mar-22	3.82	97.93	0.75	9.0%	-0.24
7.143 FEB 23, 2030	23-Feb-18	4.74	91.60	1.15	9.4%	-0.32
8.747 JAN 21, 2031	21-Nov-18	5.65	96.02	0.99	9.7%	-0.24
7.875 16-FEB-2032	16-Feb-17	6.72	90.11	0.90	9.9%	-0.19
7.375 SEP 28, 2033	28-Sep-21	8.34	84.58	0.83	10.2%	-0.17
7.696 FEB 23, 2038	23-Feb-18	12.75	81.44	1.06	10.4%	-0.17
7.625 NOV 28, 2047	28-Nov-17	22.51	74.77	0.82	10.6%	-0.12
9.248 JAN 21, 2049	21-Nov-18	23.66	87.68	0.86	10.7%	-0.12
8.25 SEP 28, 2051	28-Sep-21	26.35	77.81	0.81	10.8%	-0.11

Weekly Stock Recommendations as at Friday, May 30, 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
ECOBANK PLC	5.20	8.33	121.99	0.25	5.78x	34.7	20.45	31.55	48.2	25.6	34.6	60.00	Buy
INTERNATIONAL BREWERIES	0.30	0.47	4.90	1.90	30.89x	9.9	3.65	9.70	15.3	8.3	11.3	56.00	Buy
OKOMU OIL PLC	22.79	34.64	79.35	8.19	28.52x	650	265	650	988.0	552.5	747.5	52.00	Buy
NAHCO PLC	2.22	2.84	12.53	6.44	36.45x	84.85	31	80.75	103.4	68.6	92.9	28.00	Buy
GTCO PLC	7.45	9.84	87.25	0.79	9.26x	71.00	32.35	67.00	91.1	58.7	79.4	32.00	Buy

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

MAJOR	22-May-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1342	1.1369	-0.24%.	-0.22%.	0.48%	4.58%
GBPUSD	1.3489	1.3491	-0.01%.	-0.37%.	1.62%	5.87%
USDCHF	0.8228	0.8227	0.01%	0.10%	-0.88%.	-8.83%.
USDRUB	78.5586	76.8976	2.16%	-1.18%.	-4.20%.	-12.81%.
USDNGN	17.9403	17.7979	0.80%	-0.08%.	-1.13%.	6.83%
USDZAR	17.9403	17.7979	0.80%	0.43%	-3.26%.	-4.59%.
USDEGP	49.7200	49.7598	-0.08%.	-0.36%.	-2.11%.	5.29%
USDCAD	19.27	19.3252	-0.31%.	0.46%	-0.46%.	1.20%
USDMXN	19.27	19.3252	-0.31%.	0.14%	-1.76%.	13.37%
USDBRL	5.68	5.6676	0.21%	0.52%	0.06%	8.20%
AUDUSD	0.5960	0.5984	-0.41%.	-0.57%.	0.60%	-3.48%.
NZDUSD	0.5960	-0.0600	-0.41%.	-0.50%.	0.90%	-2.96%.
USDJPY	7.2067	7.1880	0.26%	0.84%	-1.12%.	-8.60%.
USDCNY	7.2067	7.1880	0.26%	0.46%	-1.01%.	-0.78%.
USDINR	85.5070	85.3619	0.17%	0.50%	0.96%	2.47%

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

Commodity		22-May-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	60.8	60.9	-0.25%.	-0.95%.	2.87%	-20.84%.
BRENT	USD/Bbl	63.0	63.4	-0.56%.	-2.54%.	1.62%	-22.16%.
NATURAL GAS	USD/MMBtu	3.5	9.8	-0.55%.	-6.05%.	0.59%	35.28%
GASOLINE	USD/Gal	2.0	2.0	-0.04%.	-4.00%.	-0.80%.	-16.25%.
COAL	USD/T	105.5	100.9	4.56%	5.39%	8.21%	-26.33%.
GOLD	USD/t.oz	3,305.5	3,318.4	-0.39%.	-1.62%.	2.05%	41.97%
SILVER	USD/t.oz	33.2	33.3	-0.31%.	-0.72%.	2.39%	9.21%
WHEAT	USD/Bu	533.6	534.0	-0.07%.	-1.64%.	3.57%	-21.35%.
PALM-OIL	MYR/T	3,878.0	3,933.1	-1.40%.	1.33%	-0.82%.	-4.93%.
COCOA	USD/T	9,481.9	9,166.5	3.44%	-3.47%.	8.05%	1.92%



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