

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

DOMESTIC ECONOMY: Nigeria's Debt Piles Up to N149trn in Q1 2025 – Blame the Naira and More Borrowing ...

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FOREX MARKET: Naira Firms Up Across Markets as Oil Prices Wobble on Supply Hints....

Looking ahead, we expect the naira to maintain its upward momentum, supported by a softer dollar on the global stage—driven by rising oil prices and the escalating tensions in the Middle East. With Nigeria's external reserves gradually strengthening and policy signals turning more market-friendly, confidence in the local currency is steadily improving.....

MONEY MARKET: Liquidity Cushions Fall Short as Rates Hold Firm Across Market...

Looking ahead, the scheduled maturity of N130 billion in Treasury Bills next week is expected to offer a modest liquidity buffer. If this inflow materializes without offsetting outflows, money market rates could begin to ease slightly, with funding costs stabilizing just below current elevated levels.....

BOND MARKET: Bulls Take Charge in Fixed Income Market as Rate Cut Bets Fuel Demand.....

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EQUITIES MARKET: NGX Brushes 121,000 Mark as Investor Confidence Lifts Market by N1.43 Trillion.....

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DOMESTIC ECONOMY: Nigeria’s Debt Piles Up to N149trn in Q1 2025 – Blame the Naira and More Borrowing ...

The Debt Management Office’s (DMO) latest quarterly debt profile report shows that Nigeria's public debt increased by 3.26% quarter-on-quarter to N149.39 trillion as at the end of March 2025. Year-on-year, Nigeria’s debt burden expanded by 22.78% to the N149.39 trillion, underscoring continued fiscal reliance on debt to plug budgetary gaps amid tepid revenue growth and elevated expenditure pressures.

Sequentially, the growth in total debt was largely driven by increased domestic borrowing. The domestic debt stock rose by 5.89% in Q1 2025 to N78.76 trillion, up by N4.4 trillion from the previous quarter. This sharp increase reflects the government’s preference for naira-denominated financing instruments to mitigate exposure to FX volatility and rising global interest rates. Meanwhile, external debt grew modestly by 0.49% quarter-on-quarter and 19.97% year-on-year, adding N344.6 billion to reach N70.63 trillion.

The current debt composition shows a relatively balanced profile, with domestic debt accounting for 52.72% of total public debt and external debt making up 47.28%. Within the domestic segment, the Federal Government holds the bulk at N74.89 trillion (50.13% of total debt), while sub-nationals—including state governments and the FCT—account for N3.87 trillion (2.59%).

We think the increase in the debt profile has been precipitated by the exchange rate volatility which has led to modest depreciation during the period. The naira depreciated slightly from N1,535.32/\$ at end-December 2024 to N1,536.31/\$ by end-March 2025, representing a 0.1% decline. Although relatively modest, this movement still impacted the valuation of external debt. In dollar terms, total public debt rose to \$97.24

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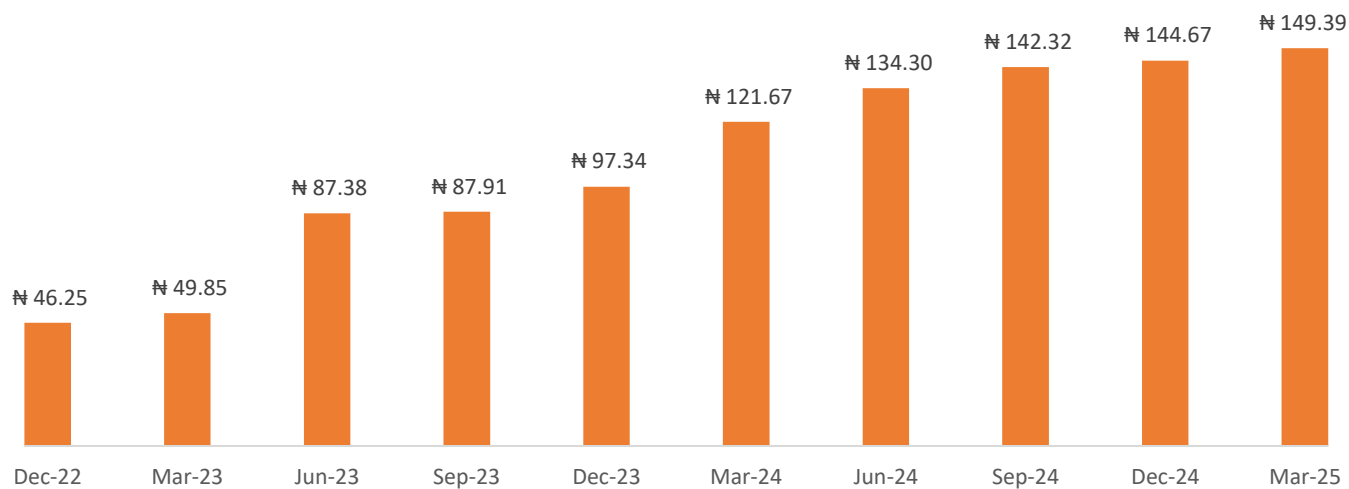
billion in Q1 2025, representing a 3.19% increase from \$94.23 billion in Q4 2024 and a 6.32% rise compared to \$91.46 billion recorded in Q1 2024.

In terms of debt servicing, costs remained substantial in Q1. On the domestic side, total debt service payments amounted to N2.61 trillion, comprising N2.37 trillion in interest obligations and N241.91 billion in principal repayments. For external debt, the government made total service payments of \$1.39 billion. Of this, \$727.23 million went to multilateral lenders, \$233.90 million to bilateral creditors, and \$431.61 million to commercial and private sources. These figures highlight Nigeria’s rising cost of debt maintenance and the increasing share of commercial debt in the external portfolio.

At the subnational level, Lagos State remains the most indebted in Nigeria, with domestic debt of N874 billion, driven by continued infrastructure and capital investment. This was followed by Rivers (N364.4 billion), Delta (N204.72 billion), Ogun (N190.14 billion), and Enugu (N188.42 billion). Conversely, Jigawa posted the lowest debt stock at N1.06 billion, followed by Ondo (N11.76 billion), Kebbi (N15.1 billion), Ebonyi (N17.10 billion), and Kogi (N20.39 billion).

Nigeria’s debt-to-GDP ratio climbed to 55% at the end of 2024—well above the DMO’s self-imposed ceiling of 40% and a clear indication that the country’s debt burden is entering a less sustainable trajectory. The rising ratio reflects not only increased borrowing but also sluggish GDP growth and a relatively narrow revenue base. This poses significant medium-term risks, especially if interest rates remain elevated globally or oil-related revenues fall short of expectations.

Chart of Nigeria's Total Public Debt Stock (in 'trillion Naira)



Source: Debt Management Office, Cowry Research

FOREX MARKET: Naira Firms Up Across Markets as Oil Prices Wobble on Supply Hints...

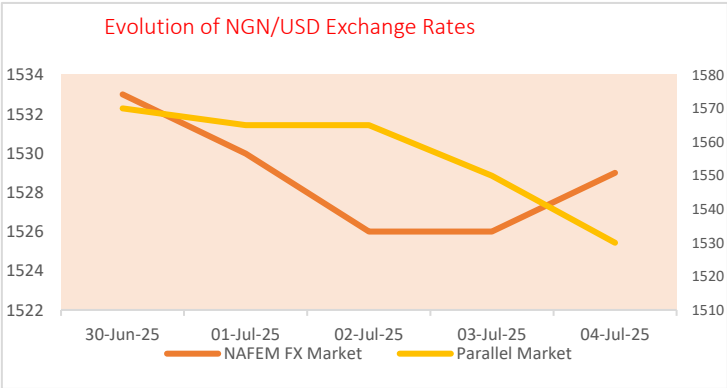
Oil prices slipped slightly in today’s trading, with Brent crude easing to \$68.58 per barrel following signals from OPEC+ of a potential output increase. Market sentiment was briefly rattled midweek after Iran temporarily suspended cooperation with UN nuclear inspectors, sparking a \$2 surge in prices.

However, the tension quickly cooled as Iran reaffirmed its commitment to the nuclear treaty. WTI crude eventually settled near \$67 per barrel, though traders remain cautious amid persistent geopolitical uncertainty and evolving supply dynamics.

Meanwhile, Nigeria’s naira is showing signs of resilience across both official and parallel markets. As of July 4, 2025, the official exchange rate appreciated by 0.65% week-on-week to N1,529 per dollar, while the parallel market rate gained 2.29% to close

Looking ahead, we expect the naira to maintain its upward momentum, supported by a softer dollar on the global stage—driven by rising oil prices and the escalating tensions in the Middle East. With Nigeria’s external reserves gradually strengthening and policy signals turning more market-friendly, confidence in the local currency is steadily improving.

at N1,530 per dollar. The recent strength in the local currency reflects a combination of rising FX inflows, Central Bank reforms, and targeted interventions aimed at improving dollar



supply and narrowing the gap between market rates.

MONEY MARKET: Liquidity Cushions Fall Short as Rates Hold Firm Across Market.....

This week in the money market, conditions remained tight despite a moderate boost in liquidity. The system closed the week with a net surplus balance of just over N400 billion, thanks in part to N150 billion in Open Market Operation (OMO) maturities. Yet, that injection did little to loosen the grip of short-term funding pressures, as financial institutions continued to scramble for liquidity amid strong demand for overnight and short-dated instruments.

The Overnight Nigerian Interbank Offered Rate (NIBOR) edged up by 11 basis points to settle at 26.82%, compared to 26.71% last week. Tighter conditions also filtered through to longer tenors, with the 1-month, 3-month, and 6-month NIBOR climbing to 27.25%, 27.71%, and 28.33%, respectively. These mark increases of 33bps, 46bps, and 75bps over the week, reflecting the ongoing funding pressure in the interbank space.

The Open Buy Back (OPR) and Overnight (O/N) lending rates — key barometers of short-term funding cost — also ticked higher, closing at 26.83% and 27.42%, respectively, up from

Looking ahead, the scheduled maturity of N130 billion in Treasury Bills next week is expected to offer a modest liquidity buffer. If this inflow materializes without offsetting outflows, money market rates could begin to ease slightly, with funding costs stabilizing just below current elevated levels.

26.50% and 26.99% the previous week. Despite the modest liquidity surplus in the system, banks remained cautious, preferring to hold onto cash rather than deploy into the market aggressively.

Meanwhile, the Nigerian Interbank Treasury True Yield (NITTY) curve showed mixed movement. While the 1-month and 3-month tenors climbed to 17.65% and 18.70%, gaining 20bps and 18bps respectively, the longer-dated 6-month and 12-month yields slipped — falling by 24bps and 52bps to close at 20.20% and 21.47%. This suggests that while near-term funding is still tight, market participants may be anticipating some relief in the medium term.

On the Treasury Bills front, the secondary market continued to show bullish tendencies. Broad-based buying across the yield curve pushed average yields down by 42bps to 19.93% from 20.34% the week before, as investors sought to lock in attractive returns amid expectations of near-term rate moderation

BOND MARKET: Bulls Take Charge in Fixed Income Market as Rate Cut Bets Fuel Demand.....

The fixed income market closed the week on a bullish note, buoyed by strong investor sentiment and a growing consensus that the Central Bank may ease monetary policy later this month. With inflation showing signs of moderation, investors moved swiftly to lock in yields at current levels before any potential rate cuts begin to compress returns.

In the Federal Government of Nigeria (FGN) bond secondary market, buying momentum picked up significantly. This sustained bullish wave, carried over from the previous week, drove yields lower across the curve. The overall average yield on FGN bonds declined sharply by 84 basis points to close at 17.46%, reflecting the strength of demand for sovereign paper and investors’ forward-looking stance on interest rates.

The positive sentiment extended into Nigeria's Eurobond market, where investors continued to reposition in anticipation of macroeconomic stability and improving credit outlooks. The average yield on sovereign Eurobonds dropped by 10 basis points to 8.51% for the week. Most maturities recorded yield compression, except for the NOV-27 issue, which saw a slight uptick of 4 basis points—likely driven by localized supply and demand pressures rather than a shift in broad sentiment. Looking ahead, the bullish momentum is expected to continue into the coming week. Investors will be closely watching the upcoming NOV-25 Eurobond maturity as well as prospects of improved sovereign ratings. At the same time, domestic fixed income instruments are poised to attract further interest, supported by the twin tailwinds of moderating inflation and potential monetary easing by the Central Bank.

EQUITIES MARKET: Bulls Stay in Charge as ASI Rises 0.83% W/W on Rebalancing Moves.....

The Nigerian Exchange continued its upward trajectory this week, extending its weekly winning streak with a modest gain of 0.83% on a week-on-week basis. This positive momentum comes as investors usher in the third quarter of the year with renewed optimism, positioning themselves strategically ahead of the anticipated release of second quarter and half-year corporate earnings. A wave of portfolio rebalancing activities and calculated position-taking dominated market sentiment, fueled by expectations of resilient financial performance from listed companies.

Several corporates have already begun declaring closed periods for Q2 disclosures, with forward-looking earnings forecasts for the second half of 2025 providing a tailwind for market confidence. These updates, coupled with early signs of improved profitability from select firms, served to galvanize investor interest throughout the week.

Against this backdrop, the NGX All-Share Index climbed to 120,989.66 points, reflecting the 0.83% week-on-week gain, as bargain hunters took advantage of perceived undervaluations. The bullish sentiment was further bolstered by a solid market breadth, which saw a number of stocks touching new 52-week highs, pointing to a broad-based participation in the market rally.

Despite the delisting of Notore Chemical Industries Plc from the Exchange on Friday, the overall market capitalization of listed equities rose by N377.26 billion to close at N76.34 trillion, representing a 0.50% increase over the week. As a result, the year-to-date return for the NGX benchmark index now stands at an impressive 17.55%, underscoring a resilient first half of 2025 for the equities market.

Trading activity was notably upbeat. Investors executed a total of 118,569 trades during the week, reflecting a 4.05% increase. Looking ahead, market sentiment in the coming week is expected to remain a mix of caution and optimism. Investors will likely focus on macroeconomic cues, particularly the Q1 2025 economic performance report, alongside the flurry of Q2 and H1 financial results from listed firms. While market volatility may persist amid this flurry of activity, the broader outlook remains positive for fundamentally sound stocks with strong earnings prospects. As always, we continue to advise discerning investors to maintain a long-term view, prioritizing companies with resilient balance sheets, consistent dividends, and solid growth narratives.

from the previous week's total. The volume of shares traded surged by 41.34% to 5.47 billion units, while the total value exchanged rose by 6.40% to N108.09 billion, up from last week's N101.59 billion. The bullish tone of the market was evident in the strong market breadth ratio of 2.85x, as 77 stocks recorded gains compared to 27 decliners.

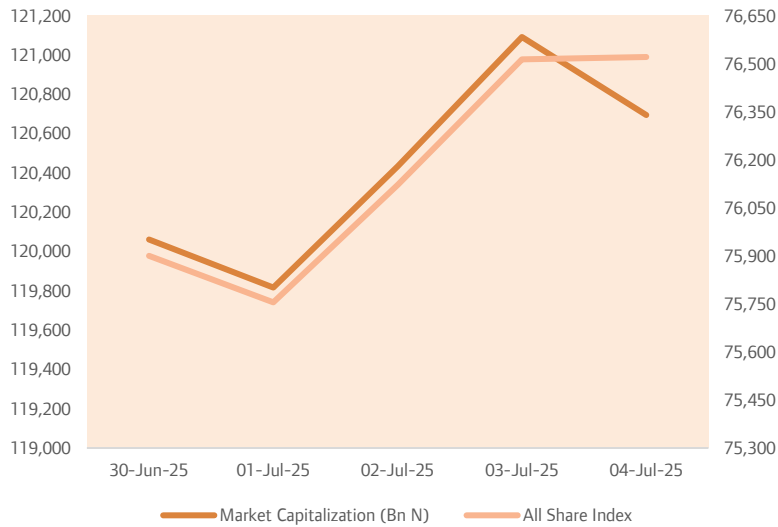
Across sectoral indices, performance tilted mostly to the upside. Five of the six tracked indices closed in the green, signaling broad investor interest across different segments of the market. The only exception was the NGX Industrial Goods Index, which declined by 2.11% due to persistent selloffs in names like Multiverse, Julius Berger, and Abbey Mortgage Bank.

Leading the pack were the NGX Insurance and NGX Consumer Goods indices, which posted weekly gains of 5.86% and 4.08%, respectively. Price appreciation in NEIMETH, International Breweries, Champion Breweries, Dangote Sugar, Guinea Insurance, Sovereign Insurance, and Prestige Assurance contributed significantly to this upward momentum.

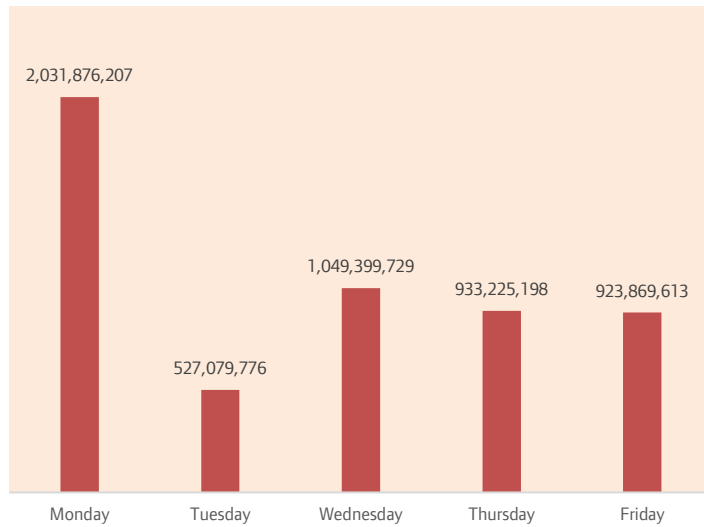
The NGX Oil & Gas, NGX Commodity, and NGX Banking indices also posted marginal gains of 0.77%, 0.53%, and 0.12% respectively. Notable gainers in these sectors included Zenith Bank, Okomu Oil, Japaul Gold, Presco, Wema Bank, Eterna, and Fidelity Bank, all of which experienced investor inflows driven by fundamentals and recent earnings signals.

Among the top performing stocks for the week, NEIMETH Pharmaceuticals stole the spotlight with an astonishing weekly return of 60.5%. It was trailed by Ellah Lakes, which rose by 31.3%, while International Breweries, CWG, and Champion Breweries gained 26.4%, 25%, and 22%, respectively. On the flip side, Multiverse and ABC Transport led the laggards, each losing 9.3%, followed by Oando (7.4%), BUA Foods (6.5%), and DAAR Communications (6.2%).

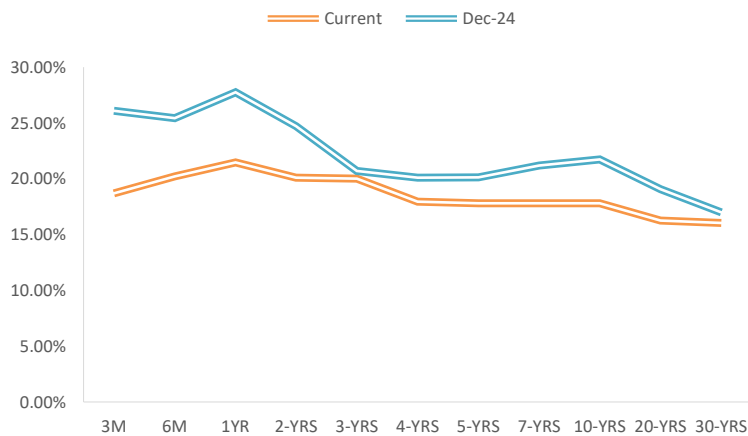
Evolution of Equities Performance Gauges



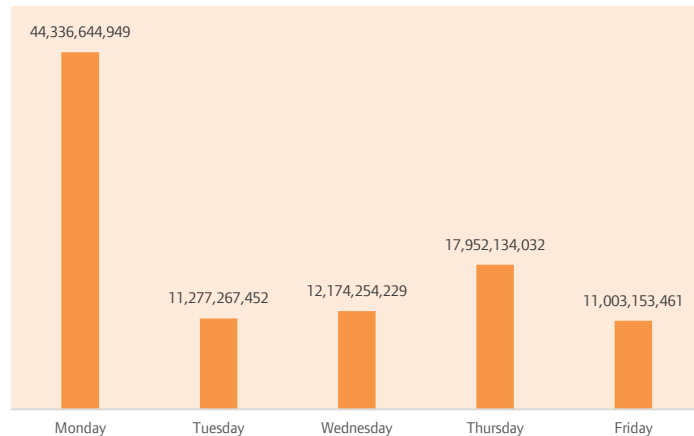
Daily Traded Volume



NAIRA YIELD CURVE



Daily Traded Value



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

Top Ten Gainers				Bottom Ten Losers			
Symbol	04-Jul-25	27-Jun-25	% Change	Symbol	04-Jul-25	27-Jun-25	% Change
NEIMETH	5.94	3.7	60.5%	MULTIVERSE	8.75	9.65	-9.3%
ELLAHLAKES	7.00	5.33	31.3%	ABCTrans	2.45	2.70	-9.3%
INTBREW	13.90	11.00	26.4%	OANDO	56.50	61.00	-7.4%
CWG	11.50	9.20	25.0%	BUAFOODS	449.00	480.00	-6.5%
CHAMPION	10.00	8.20	22.0%	DAARCOMM	0.61	0.65	-6.2%
LEARNAFRCA	5.1	4.19	21.7%	MCNICHOLS	2.17	2.28	-4.8%
BETAGLAS	333.95	276	21.0%	MEYER	9.15	9.6	-4.7%
GUINEAINS	0.9	0.75	20.0%	IMG	33.40	34.90	-4.3%
CAVERTON	5.22	4.36	19.7%	ARADEL	514.50	536.80	-4.2%
JOHNHOLT	7.4	6.2	19.4%	FCMB	9.50	9.85	-3.6%

FGN Eurobonds Yields as at Friday, July 4, 2025

FGN Eurobonds	Issue Date	TTM (years)	04-Jul-25 Price (N)	Weekly USD Δ	04-Jul-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.38	100.82	0.00	5.3%	-0.10
6.50 NOV 28, 2027	28-Nov-17	2.40	98.89	-0.07	7.0%	0.04
6.125 SEP 28, 2028	28-Sep-21	3.24	95.76	0.31	7.6%	-0.10
8.375 MAR 24, 2029	24-Mar-22	3.72	101.15	0.37	8.0%	-0.12
7.143 FEB 23, 2030	23-Feb-18	4.64	95.41	0.42	8.4%	-0.11
8.747 JAN 21, 2031	21-Nov-18	5.55	100.83	0.47	8.6%	-0.11
7.875 16-FEB-2032	16-Feb-17	6.62	95.41	0.85	8.8%	-0.18
7.375 SEP 28, 2033	28-Sep-21	8.24	90.17	0.91	9.1%	-0.16
7.696 FEB 23, 2038	23-Feb-18	12.65	87.14	0.70	9.5%	-0.11
7.625 NOV 28, 2047	28-Nov-17	22.42	79.97	0.54	9.9%	-0.07
9.248 JAN 21, 2049	21-Nov-18	23.57	93.36	0.65	10.0%	-0.08
8.25 SEP 28, 2051	28-Sep-21	26.25	83.50	0.92	10.0%	-0.12

Weekly Stock Recommendations as at Friday, July 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	Potenti al Upside	Reco mmen dation
STANBIC IBTC PLC	6.25	9.26	58.33	1.44	13.43x	87.00	52.00	84.00	124.3	71.4	96.6	48.00	Buy
NIGERIAN BREWERIES	1.44	2.07	14.97	4.16	43.36x	63	22.6	62.35	89.8	53.0	71.7	44.00	Buy
NASCON PLC	3.74	5.38	18.74	3.95	19.79x	74.00	30.00	74.00	106.5	62.9	85.1	43.95	Buy
BERGER PAINTS PLC	1.07	1.58	14.28	2.31	30.90x	33.00	13.00	33.00	48.8	28.1	38.0	48.00	Buy
GTCO PLC	7.45	9.84	87.25	0.95	11.16x	88.00	32.35	83.20	109.8	70.7	95.7	32.00	Buy

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

MAJOR	04-Jul-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1768	1.1769	-0.01%.	0.45%	2.83%	8.59%
GBPUSD	1.3640	1.3665	-0.18%.	-0.53%.	0.51%	6.43%
USDCHF	0.7944	0.7943	0.01%	-0.47%.	-3.12%.	-11.32%.
USD RUB	78.7100	79.0737	-0.46%.	0.27%	1.89%	-10.55%.
USDNGN	17.6239	17.5066	0.67%	-0.90%.	-1.98%.	0.15%
USDZAR	17.6239	17.5066	0.67%	-0.98%.	-0.72%.	-3.04%.
USDEGP	49.3600	49.3501	0.02%	-1.02%.	-0.58%.	2.96%
USDCAD	18.63	18.6471	-0.08%.	-0.53%.	-0.50%.	-0.26%.
USDMXN	18.63	18.6471	-0.08%.	-1.08%.	-2.84%.	2.87%
USDBRL	5.41	5.4100	0.01%	-1.38%.	-3.18%.	-0.88%.
AUDUSD	0.6057	0.6078	-0.36%.	0.37%	0.70%	-2.92%.
NZDUSD	0.6057	-0.0600	-0.36%.	0.10%	0.27%	-1.43%.
USDJPY	7.1634	7.1684	-0.07%.	-0.09%.	0.65%	-10.12%.
USDCNY	7.1634	7.1684	-0.07%.	-0.12%.	-0.18%.	-1.71%.
USDINR	85.4410	85.4068	0.04%	-0.06%.	-0.49%.	2.36%

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

Commodity		04-Jul-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	66.3	66.8	-0.77%	1.27%	4.71%	-20.21%
BRENT	USD/Bbl	68.1	68.6	-0.78%	1.95%	4.23%	-21.30%
NATURAL GAS	USD/MMBtu	3.4	9.8	-1.61%	-9.21%	-7.68%	46.39%
GASOLINE	USD/Gal	2.1	2.1	-0.10%	1.84%	2.89%	-17.69%
COAL	USD/T	111.3	112.5	-1.11%	4.80%	6.51%	-18.50%
GOLD	USD/t.oz	3,335.3	3,326.3	0.27%	2.03%	-0.54%	39.48%
SILVER	USD/t.oz	36.9	36.8	0.17%	2.58%	3.51%	18.25%
WHEAT	USD/Bu	562.3	564.0	-0.31%	7.92%	3.50%	-4.78%
PALM-OIL	MYR/T	4,108.0	4,092.9	0.37%	2.39%	5.23%	1.68%
COCOA	USD/T	7,949.7	8,156.9	-2.54%	-13.09%	-18.92%	1.88%

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