

Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

DOMESTIC ECONOMY: Nigeria's Foreign Trade Surges to N138trn Amid Naira Devaluation and Export Growth

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EQUITIES MARKET: Equities Market Takes Haircut by 0.55% w/w Amid Global Pressures and Profit-Taking...

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DOMESTIC ECONOMY: Nigeria's Foreign Trade Surges to N138trn Amid Naira Devaluation and Export Growth...

This week, our analysis focuses on Nigeria’s latest foreign trade statistics published by the National Bureau of Statistics (NBS), reveal a remarkable 106.6% year-on-year increase in total merchandise trade, reaching N138.03 trillion in 2024 from N66.83 trillion the previous year.

This surge was primarily driven by the devaluation of the naira and the expansion of exports, which stood at N77.4 trillion, surpassing total imports of N60.6 trillion. As a result, the trade balance improved significantly by 230.5% year-on-year, rising to N16.85 trillion from N5.10 trillion in 2023.

The substantial improvement in the trade balance can be attributed to robust export growth, bolstered by the weakened naira and an increase in exportable goods. This aligns with expectations that a larger trade surplus will contribute to a healthier current account balance in 2024, with crude oil production and exports continuing to play a crucial role in Nigeria’s economy.

However, persistent foreign exchange pressures pose a downside risk, particularly concerning the services account, which may continue to widen. In 2024, heightened volatility in the foreign exchange market led to a depreciation of the naira by over 41%, enhancing the competitiveness and attractiveness of Nigerian exports on the global stage.

A quarterly analysis of the NBS report indicates that Nigeria’s total merchandise trade stood at N36.60 trillion in Q4 2024, reflecting a 68.32% increase compared to the N21.75 trillion recorded in the corresponding period of 2023 and a 2.20% rise over the N35.82 trillion recorded in the preceding quarter. In this period, exports accounted for 54.68% of total trade, amounting to N20.01 trillion, representing a 57.67% increase over the N12.69 trillion recorded in Q4 2023, though slightly lower by 2.55% compared to Q3 2024 (N20.54 trillion).

Crude oil exports continued to dominate, accounting for N13.78 trillion or 68.87% of total exports, while non-crude oil exports stood at N6.23 trillion, making up 31.13% of total exports. Of this, non-oil products contributed N2.84 trillion, constituting 14.20% of total exports.

On the import side, goods accounted for 45.32% of total trade in Q4 2024, amounting to N16.59 trillion. This marks an 83.24% increase compared to the N9.05 trillion recorded in

Q4 2023 and an 8.57% rise over the N15.28 trillion recorded in Q3 2024. Despite remaining positive, the merchandise trade balance for the quarter stood at N3.42 trillion, reflecting a 34.86% decline from the previous quarter.

Based on the Standard International Trade Classification, the leading category of imports was “mineral fuels,” amounting to N4.79 trillion or 28.92% of total imports, followed by “machinery and transport equipment” at N4.51 trillion or 27.17%, and “chemicals and related products” at N2.61 trillion, accounting for 15.73% of total imports.

On the exports front, Nigeria primarily exported “mineral products” valued at N17.08 trillion, representing 86.48% of total exports. This was followed by exports of “prepared foodstuffs, beverages, spirits, and vinegar, tobacco” at N1.32 trillion or 6.59% of total exports, and “products of the chemical and allied industries,” which stood at N530.46 billion or 2.65% of total exports.

Regionally, Nigeria’s exports were predominantly directed to Europe, which accounted for N8.67 trillion or 43.33% of total exports. This was followed by exports to Asia at N5.56 trillion or 27.79%, while exports to America totalled N3.52 trillion, representing 17.58% of total exports. Exports to Africa were valued at N2.04 trillion, making up 10.20% of total exports, with ECOWAS countries receiving N1.18 trillion or 57.56% of the total African exports.

On the import front, Asia remained Nigeria’s primary source, accounting for N8.87 trillion or 53.46% of total imports. Europe followed with N5.29 trillion or 31.92%, while imports from America totalled N1.87 trillion, representing 11.29%. Imports from Oceania stood at N30.06 billion or 0.22% in Q4 2024. Imports from Africa amounted to N514.96 billion or 3.10% of total imports, with ECOWAS countries contributing N77.10 billion or 0.46% of total imports.

An analysis of Nigeria’s trading partners highlights that China remained the largest source of imports, with goods valued at N4.61 trillion, representing 27.80% of total imports. This was followed by imports from India at N1.89 trillion or 11.43%, Belgium at N1.39 trillion or 8.35%, the United States at N1.06 trillion or 6.36%, and France at N601.28 billion, accounting for 3.62% of total imports.

Cowry Research acknowledges the significant three-digit growth in total trade and trade surplus, largely driven by naira devaluation and a commendable rise in total exports, boosting foreign exchange earnings. Looking ahead, a sustained increase in the trade surplus is anticipated, underpinned by the expected expansion in Nigeria’s export volumes, particularly in crude oil, as refining capacity continues to grow. However, a rise in import volumes, facilitated by improved foreign exchange liquidity and greater accessibility to foreign currency, may reduce the trade surplus, potentially impacting the balance of payments and the current account.

EQUITIES MARKET: Equities Market Takes Haircut by 0.55% w/w Amid Global Pressures and Profit-Taking.....

This week, the equities market recorded another decline for the third consecutive week, reaching a four-week low as bearish sentiment triggered selling pressure and profit-taking. These factors weighed on benchmark indicators, leading to a 0.55% week-on-week decline to 105,955.13 points. This reflects portfolio rebalancing amidst bargain hunting and anticipation of further corporate earnings reports.

Similarly, market capitalisation fell by 0.55% to N66.35 trillion due to below-average trading volumes and a negative market breadth, resulting in equity investors losing N365.4 billion over the week. Consequently, the year-to-date return on the index moderated to 2.94%.

Despite lacklustre market internals, trading activity remained buoyant. The market breadth remained negative at 0.80x, with 37 gainers against 46 losers. However, weekly trading volume surged by 80.45% week-on-week to 3.28 billion units, as investors focused on penny stocks with strong fundamentals in search of alpha. Additionally, the weekly traded value increased by 34.49% to N63.52 billion from N47.23 billion in the previous week. In contrast, the total number of deals fell by 5.36% week-on-week to 60,782 trades.

Sectoral performance was mixed, with three sectors closing in positive territory while the remaining three recorded losses. The NGX-Insurance sector led the gainers, rising by 0.89% week-on-week due to price appreciations in ROYALEX, CORNERST, and LINKASSURE. It was followed by marginal gains in the NGX-Consumer Goods and NGX-Commodity indices, which increased by 0.03% and 0.02%, respectively, driven by gains in LIVESTOCK, FTNCOCOA, INTBREW, and OKOMUOIL.

Conversely, the NGX-Oil & Gas index led the laggards, declining by 1.15% week-on-week due to sell-offs in CONOIL, OANDO, and TOTAL. The NGX-Banking and NGX-Industrial indices also posted losses of 0.45% and 0.21%, respectively, as investors reduced their holdings in BERGERPAINTS, JAIZBANK, RTBRISCOE, UBA, and FIRSTHOLDCO.

Among the best-performing stocks of the week, LIVESTOCK FEEDS, CAVERTON, FTN COCOA, CWG, and TANTALIZER led the pack with respective gains of 22.2%, 15.4%, 14.2%, 13.2%, and 13.1%. On the flip side, NEIMETH, MECURE, INTENEGINS, CONOIL, and UPL emerged as the worst-performing stocks, shedding 17.0%, 10.4%, 10.3%, and 10.0% each.

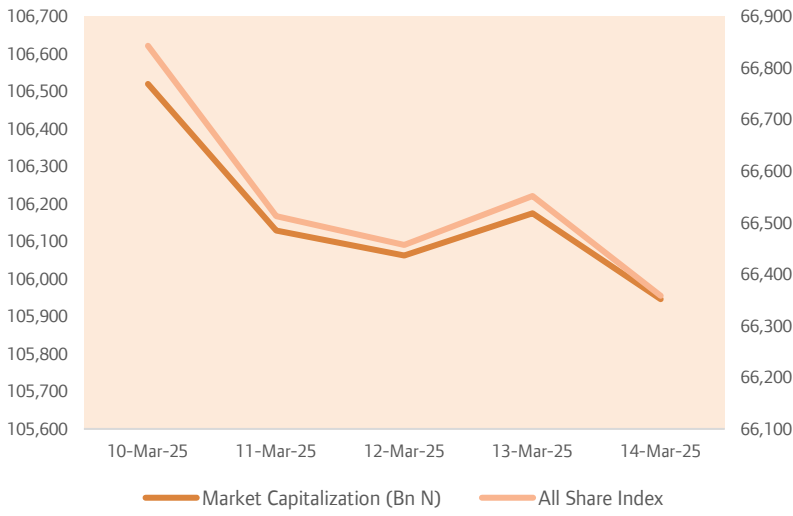
For Cowry Research, we note that the continued challenges faced by the local equities market week-on-week as global market trends exert pressure in a mixed fashion. The imposition of tariffs by former United States President Donald Trump on imports from China, Mexico, Canada, and the European Union contributed to volatile investor sentiment.

Looking ahead, we anticipate continued mixed sentiment as the market undergoes corrections, placing the exchange in an overbought region. Profit-taking, portfolio reshuffling, and bargain hunting are likely to persist as investors digest corporate actions and Q1 earnings forecasts. Additionally, the release of the Consumer Price Index (CPI) report for February 2025 will be a key driver of market direction, as investors assess its implications for their portfolios. However, current position shows the index remains below the T-line and is approaching a breakdown of the 50-EMA and 50-SMA moving averages, indicating relative weakness amid evolving market fundamentals on the NGX and broader economy. Given these dynamics, we continue to advise investors to focus on stocks with strong fundamentals.

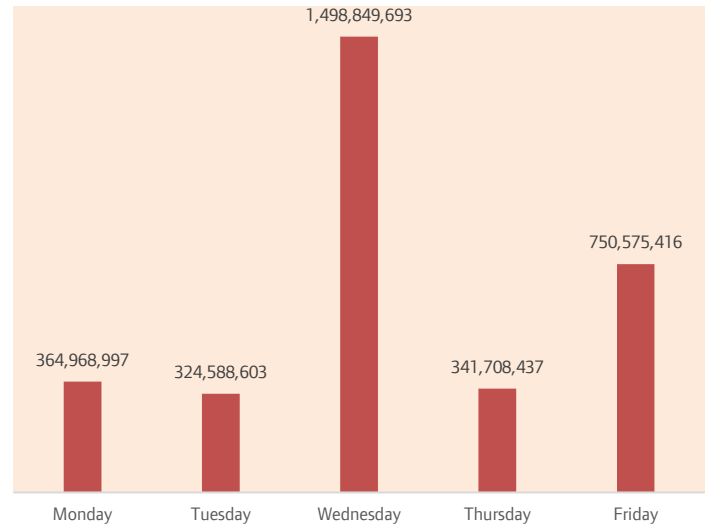
Weekly Top Gainers and Losers as at Friday, March 14, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	14-Mar-25	07-Mar-25	% Change	Symbol	14-Mar-25	07-Mar-25	% Change
LIVESTOCK	10.20	8.35	22.2%	NEIMETH	2.49	3.00	-17.0%
CAVERTON	3.00	2.60	15.4%	MECURE	11.25	12.55	-10.4%
FTNCOCOA	1.85	1.62	14.2%	INTENEGINS	1.75	1.95	-10.3%
CWG	9.00	7.95	13.2%	CONOIL	331.20	368.00	-10.0%
TANTALIZER	2.93	2.59	13.1%	UPL	4.32	4.80	-10.0%
ROYALEX	0.88	0.78	12.8%	VFDGROUP	47.20	52.40	-9.9%
ETERNA	38.00	34.15	11.3%	BERGER	18.85	20.90	-9.8%
CORNERST	3.50	3.17	10.4%	ACADEMY	2.62	2.90	-9.7%
UPDCREIT	6.50	5.90	10.2%	CADBURY	23.00	25.00	-8.0%
MAYBAKER	8.70	7.95	9.4%	OMATEK	0.70	0.76	-7.9%

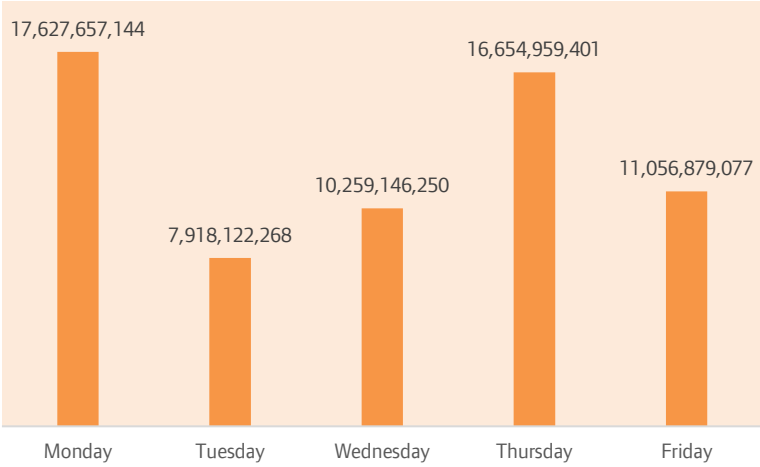
Evolution of Equities Performance Gauges



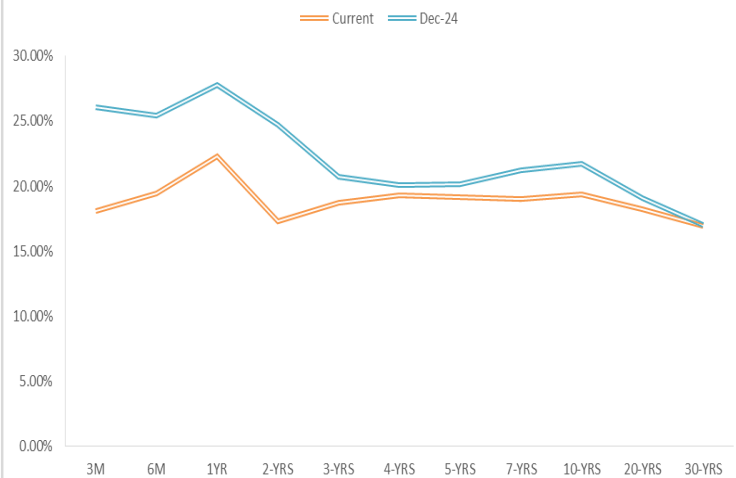
Daily Traded Volume



Daily Traded Value



NAIRA YIELD CURVE



FGN Eurobonds Trading Above 7% Yield as at Friday, March 14, 2025

FGN Eurobonds	Issue Date	TTM (years)	14-Mar-25 Price (N)	Weekly USD Δ	14-Mar-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.69	100.15	-0.05	7.4%	0.06
6.50 NOV 28, 2027	28-Nov-17	2.71	96.62	-0.28	7.9%	0.13
6.125 SEP 28, 2028	28-Sep-21	3.55	91.91	-0.52	8.8%	0.19
8.375 MAR 24, 2029	24-Mar-22	4.03	97.44	-0.59	9.2%	0.19
7.143 FEB 23, 2030	23-Feb-18	4.95	91.38	-0.76	9.4%	0.21
8.747 JAN 21, 2031	21-Nov-18	5.86	97.02	-0.77	9.4%	0.18
7.875 16-FEB-2032	16-Feb-17	6.93	90.46	-0.76	9.8%	0.16
7.375 SEP 28, 2033	28-Sep-21	8.55	85.47	-0.96	9.9%	0.19
7.696 FEB 23, 2038	23-Feb-18	12.96	82.06	-0.91	10.2%	0.15
7.625 NOV 28, 2047	28-Nov-17	22.72	76.68	-1.17	10.3%	0.17
9.248 JAN 21, 2049	21-Nov-18	23.87	91.01	-0.96	10.3%	0.11
8.25 SEP 28, 2051	28-Sep-21	26.56	80.26	-1.20	10.5%	0.16

Weekly Stock Recommendations as at Friday, March 14, 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	7.36	15.35x	48.7	23.1	38.00	54.0	32.3	43.7	42.11	Buy
MAY & BAKER PLC	0.98	1.10	5.78	1.51	8.87x	11.15	5.08	8.70	11.4	7.4	10.0	31.26	Buy
HONEYWELL PLC	0.32	0.45	3.20	4.02	40.48x	13.10	4.84	12.49	18.0	10.9	14.8	40.00	Buy
ZENITH BANK PLC	26.34	29.50	111.76	0.43	1.82x	52.00	29.70	47.80	67.0	40.8	55.2	39.58	Buy
LAFARGE AFRICA	6.22	6.99	31.33	2.36	11.90x	78.55	29.00	73.80	97.0	62.9	85.1	31.08	Buy

U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, March 14, 2025

MAJOR	14-Mar-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.0879	1.0853	0.24%	0.44%	3.78%	-0.06%
GBPUSD	1.2934	1.2951	-0.13%	0.15%	2.45%	1.53%
USDCHF	0.8850	0.8828	0.25%	0.56%	-1.74%	0.19%
USDRUB	85.4406	86.2427	-0.93%	-5.05%	-6.14%	-7.64%
USDNGN	18.2000	18.3117	-0.61%	2.17%	2.47%	-3.85%
USDZAR	18.2000	18.3117	-0.61%	-0.12%	-1.30%	-2.99%
USDEGP	50.6485	50.5979	0.10%	0.04%	0.14%	6.07%
USDCAD	19.89	20.0854	-0.96%	0.07%	1.47%	6.29%
USDMXN	19.89	20.0854	-0.96%	-1.83%	-2.00%	19.13%
USDBRL	5.73	5.8000	-1.13%	-0.94%	0.33%	14.78%
AUDUSD	0.5734	0.5696	0.66%	0.18%	-0.62%	-3.71%
NZDUSD	0.5734	-0.0600	0.66%	0.49%	-0.02%	-5.63%
USDJPY	7.2398	7.2485	-0.12%	0.33%	-1.95%	-0.32%
USDCNY	7.2398	7.2485	-0.12%	-0.06%	-0.36%	0.47%
USDINR	86.9330	86.9243	0.01%	-0.25%	0.09%	4.88%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, March 14, 2025

Commodity		14-Mar-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	66.7	66.6	0.17%	-0.56%	-6.61%	-17.27%
BRENT	USD/Bbl	69.9	69.9	0.09%	-0.56%	-6.97%	-17.45%
NATURAL GAS	USD/MMBtu	4.0	9.8	-1.80%	-8.17%	0.82%	125.81%
GASOLINE	USD/Gal	2.1	2.1	-0.40%	0.99%	2.56%	-21.35%
COAL	USD/T	101.1	101.5	-0.44%	-3.49%	-1.65%	-23.16%
GOLD	USD/t.oz	2,984.7	2,986.2	-0.05%	2.47%	2.91%	38.42%
SILVER	USD/t.oz	33.6	33.9	-0.81%	3.21%	3.61%	33.33%
WHEAT	USD/Bu	561.0	547.3	2.50%	5.28%	-7.08%	6.33%
PALM-OIL	MYR/T	4,586.0	4,538.8	1.04%	-0.89%	1.04%	5.62%
COCOA	USD/T	7,864.7	8,415.1	-6.54%	-2.67%	-23.81%	-2.20%

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