MONTHLY MARKET REPORT
MAY 2025

REPORT SUMMARY

Review

- Global Macros: Global growth continues but remains fragile amid inflation, trade tensions, and uneven regional performance.
- Domestic Macros: Base Effect, Lower Food Costs Pull Nigeria's Inflation Down to 23.71%; MPC maintained benchmark rate.
- Foreign Exchange: Naira Ends May at ₦1,586.15/USD as External Reserves Rise $510 Million.
- Money Market: Robust Inflows Anchor Interbank Rates Despite Tight Monetary Policy.
- Treasury Bills: Market Sees Resilient Demand Amid Auction-Driven Activity.
- FGN Bonds: Muted Sentiment Prevailed Despite Strong Bond Auction Demand.
- Nigeria Eurobonds: OPEC+ Output Plans and Trade War Fears Drive African Sovereigns' Volatility.
- Equities Market: Strong Gains in Consumer Goods Boost NGX as Market Capitalization Attains ₦70.46 Trillion.

Outlook

- Global Economy: Anticipates continued volatility and policy adjustments as economies try to navigate current complex dynamics.
- Domestic Macros: Rebase GDP to dominate headlines amidst structural reforms and policy watch.
- Foreign Exchange Market: Market stability to hinge on oil price trends, CBN's FX management, and broader global risk sentiment.
- Money Market: CBN policy decision to shape funding conditions.
- Treasury Bills: Persistent investor demand and c.₦552 billion in June maturities are likely to drive mixed to bullish market conditions.
- FGN Bonds: Trading likely to remain mixed-to-bullish, with June coupon payments of ₦217.42 billion could provide support.
- Nigeria's Eurobonds: Trading patterns to remain uneven as investors balance energy market risks, U.S.-China tariff updates, and monetary policy guidance.
- Equities Market: In June, we expect sustained positive sentiment as investors expects interim dividend from regular interim dividend paying stocks.

United States: *Monetary Caution Amid Trade Policy Turbulence*

The US Federal Reserve maintained a cautious monetary stance throughout the period, holding its benchmark interest rate steady at 4.25%-4.50% as policymakers navigated complex economic crosscurrents. This measured approach reflected the central bank's assessment of mixed economic signals, including moderating inflation trends alongside persistent concerns about global trade tensions. The Fed's preferred inflation gauge, the Personal Consumption Expenditures price index, showed encouraging signs of cooling, declining from 2.3% in March to 2.1% in April, moving closer to the central bank's 2% target. Consumer spending patterns revealed a notable shift toward caution, with monthly spending growth slowing to 0.2% in April from 0.7% in March, while the personal savings rate climbed to 4.9%, its highest level in a year.

Also, President Trump's aggressive trade policies created both opportunities and challenges for the domestic economy. The administration's tariff regime, including a 10% levy on all imports and up to 84% on Chinese goods, generated market volatility while prompting inventory accumulation ahead of implementation. Despite these headwinds, labor market resilience was evident in the April nonfarm payrolls report, which showed 177,000 jobs added, beating forecasts of 135,000. However, underlying economic strain became apparent when Moody's downgraded the U.S. sovereign credit rating from "Aaa" to "Aa1," citing mounting fiscal pressures with federal debt reaching $36 trillion, nearly 120% of GDP.

United Kingdom: *Inflation Surge and Trade Opportunities*

The Bank of England reduced its benchmark interest rate by 25bps to 4.25% in response to mounting global trade tensions and newly imposed U.S. tariffs, marking the fourth cut since August 2024. This decision emerged from a rare three-way split within the Monetary Policy Committee, with five members supporting the cut, two advocating for a deeper 50bps reduction, and two preferring to maintain rates unchanged due to inflation concerns. Inflation dynamics presented significant challenges for policymakers, with the Consumer Price Index surging to 3.5% in April, the highest level since January 2024, driven primarily by rising household energy costs and transport expenses. The Bank of England's decision-making became increasingly complex as services inflation jumped to 5.4% from 4.7%, fueled by a 27.5% month-on-month increase in airfares linked to Easter holiday timing. Core inflation also accelerated to 3.8% from 3.4%, reflecting underlying price pressures throughout the economy.

The economic narrative was further complicated by a breakthrough trade agreement with the United States, which maintained a 10% base tariff on UK imports while offering selective relief on key exports including automobiles, steel, aluminum, and aircraft parts. Governor Andrew Bailey acknowledged the deal's benefits while warning that overall tariffs remained elevated compared to previous levels, with potential negative impacts on export demand and broader economic growth prospects.

Europe: *Recovery Momentum Builds Despite External Pressures*

The Eurozone demonstrated notable economic resilience during the period, with growth momentum accelerating in early 2025 following months of stagnation. The region posted 0.3% growth in the first quarter, driven by a remarkable 2.6% surge in industrial production during March, representing the strongest monthly increase in five years. This recovery was broadly based, with significant contributions from capital goods and durable consumer products manufacturing, while employment conditions improved with a 0.3% quarterly increase, the fastest pace in a year.

Germany, as the region's largest economy, exhibited particularly encouraging signs of recovery, with the ZEW economic sentiment index climbing dramatically to 25.2 in May from -14.0 in April. This improvement reflected easing trade tensions and enhanced political stability, which boosted business confidence across key sectors. The industrial production surge was complemented by stronger performance in the services sector, contributing to the overall economic acceleration.

Inflation trends across the Eurozone continued to ease, reinforcing expectations for European Central Bank policy adjustments. Preliminary data for May showed Germany's inflation holding steady at 2.1%, while Spain and Italy experienced declines to 1.9% and 1.7% respectively. Core inflation, excluding volatile food and energy components, also decelerated, suggesting that underlying price pressures were moderating. This disinflation trend, combined with lower energy costs and improved supply chain conditions, provided the European Central Bank with greater flexibility to support economic recovery through potential rate cuts, with markets increasingly anticipating accommodative monetary policy measures.

Asia: *Mixed Performance Amid Trade Uncertainties*

The Asia-Pacific region presented a mixed economic picture during the period, with individual countries experiencing varying degrees of success amid global trade tensions. China's export performance exceeded expectations significantly, with April exports rising 8.1% year-on-year, far surpassing forecasts of 1.9% growth. This surge was primarily driven by foreign manufacturers accelerating shipments ahead of potential U.S. tariff reintroduction, demonstrating the anticipatory effects of trade policy uncertainty. However, imports declined slightly by 0.2%, indicating resilient domestic demand despite global economic headwinds.

Japan faced more challenging conditions, with the economy contracting 0.2% in the first quarter of 2025, marking its first decline in a year due to weaker exports and stagnant domestic demand. The contraction occurred against a backdrop of escalating trade tensions with the United States, particularly affecting key sectors such as automobiles. Despite these challenges, Japan attracted record foreign investment inflows of ¥8.2 trillion ($57 billion) in April, as investors sought safe-haven assets amid global market volatility.

India emerged as a standout performer in the region, with the economy expanding 7.4% year-on-year in the January-March quarter, significantly outpacing expectations of 6.7% growth. This robust performance was driven by strong gains in construction and manufacturing sectors, alongside increased private consumption and capital investment. Private consumer spending grew 6% year-on-year, fueled by stronger rural demand, while capital investment rose 9.4%. Retail inflation eased to a near six-year low of 3.16% in April, providing the Reserve Bank of India with room to consider further interest rate cuts to support continued growth momentum.

Africa: *Diverse Economic Trajectories Across the Continent*

African economies displayed varied performance patterns during the period, with some countries experiencing growth while others faced significant challenges. Rwanda's economic outlook reflected a measured deceleration, with growth expected to slow to 7.1% in 2025 from 8.9% in 2024, primarily attributed to reduced agricultural output, declining tourism revenues, and ongoing global supply chain disruptions. Despite this slowdown, the government maintained optimism for recovery, projecting 7.5% growth in 2026 and 7.4% in 2027, supported by a proposed 21% increase in the national budget totaling 7.03 trillion Rwandan francs.

Source: Bloomberg, Trading Economics, AIICO Capit

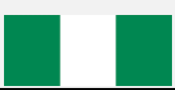
GLOBAL MACROECONOMIC REVIEW.../3

South Africa confronted mounting employment challenges, with the unemployment rate rising to 32.9% in the first quarter of 2025 from 31.9% in the previous quarter. Job losses were concentrated in trade and construction sectors, while employment grew in transport and finance. The unemployment crisis disproportionately affected young people and black women, with rates reaching 46.1% and 39.8% respectively, highlighting persistent structural economic challenges requiring comprehensive policy interventions.

Ghana's central bank maintained its benchmark interest rate at 28.0%, continuing tight monetary policy as inflationary pressures gradually eased due to exchange rate stability and fiscal consolidation. Consumer price inflation slowed for the fourth consecutive month to 21.2% in April from 22.4% in March, though it remained significantly above the bank's 8% target. Tunisia's central bank held its rate at 7.5% following a 50-bp cut in March, balancing easing inflation against mounting external pressures, with foreign currency reserves declining to 22.7 billion dinars, equivalent to 98 days of imports..

<u>Key Economic Snapshot</u>

								
GDP	Q1'25	-0.20%	Q1'25	0.70%	Q1'25	0.60%	Q1'25	1.20%
	Q4'24	2.40%	Q4'24	0.10%	Q4'24	0.20%	Q4'24	1.60%
	Q1'24	1.40%	Q1'24	0.70%	Q1'24	0.30%	Q1'24	1.50%
INTEREST/ POLICY RATE	May'25	4.50%	May'25	4.25%	Jun'25	2.15%	May'25	3.00%
	Mar'25	4.50%	Mar'25	4.50%	May'25	2.40%	Mar'25	3.10%
	May'24	5.50%	May'24	5.25%	Jun'24	4.25%	May'24	3.45%
INFLATION RATE	Apr'25	2.30%	Apr'25	3.50%	May'25	1.90%	May'25	-0.10%
	Mar'25	2.40%	Mar'25	2.60%	Apr'25	2.20%	Apr'25	-0.10%
	Apr'24	3.40%	Apr'24	2.30%	May'24	2.60%	May'24	0.30%

										
GDP	Q4'24	3.84%	Q4'24	3.60%	Q1'25	3.50%	Q4'24	4.30%	Q1'25	0.80%
	Q3'24	3.46%	Q3'24	7.20%	Q4'24	2.60%	Q3'24	3.50%	Q4'24	0.80%
	Q4'23	3.46%	Q4'23	3.80%	Q1'24	4.60%	Q4'23	2.30%	Q1'24	0.50%
INTEREST/ POLICY RATE	May'25	27.50%	Mar'25	28.00%	May'25	19.50%	May'25	24.00%	May'25	7.25%
	Feb'25	27.50%	Jan'25	27.00%	Mar'25	19.50%	Apr'25	25.00%	Mar'25	7.50%
	May'24	26.25%	Mar'24	29.00%	May'24	19.50%	May'24	27.25%	May'24	8.25%
INFLATION RATE	Apr'25	23.71%	May'25	18.40%	Apr'25	22.32%	May'25	16.80%	Apr'25	2.80%
	Mar'25	24.23%	Apr'25	21.20%	Mar'25	23.85%	Apr'25	13.90%	Mar'25	2.70%
	Apr'24	33.69%	May'24	23.10%	Apr'24	28.20%	May'24	28.10%	Apr'24	5.20%

Source: Bloomberg, Trading Economics, AIICO Capital

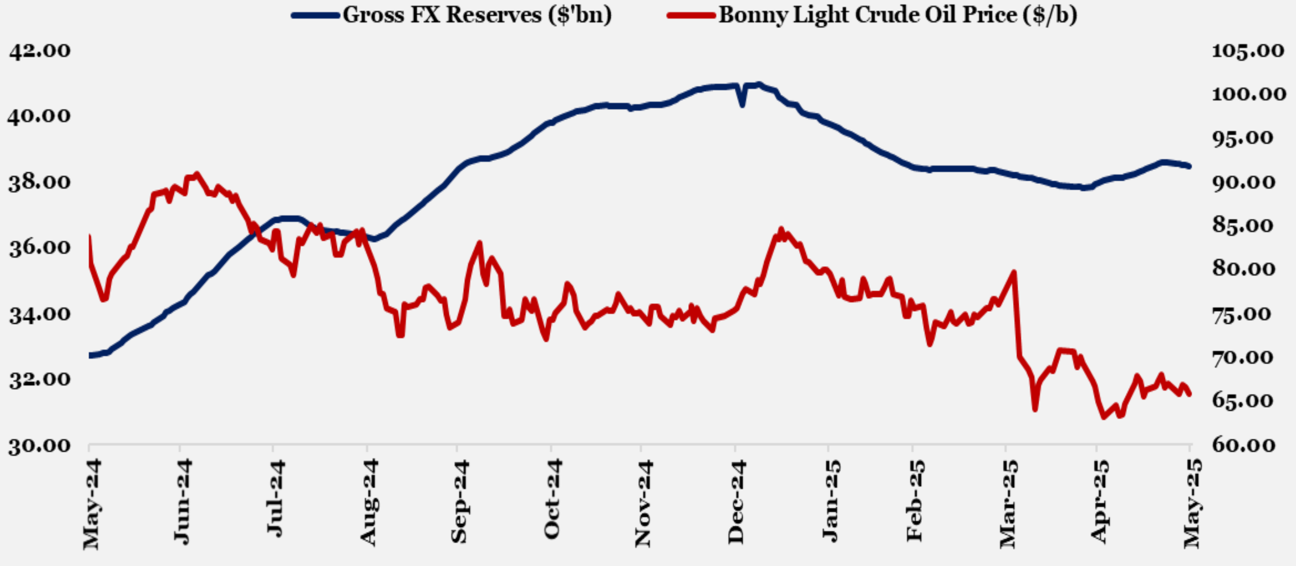
Oil Markets - *Cautious Supply Management Amid Market Volatility*

Global oil markets experienced significant developments during the period, with OPEC+ reaffirming its strategy to gradually unwind voluntary production cuts while maintaining market stability. Most recently, at the 40th Ministerial Meeting on June 1, 2025, the coalition agreed to proceed with a planned production increase of 411,000 barrels per day for July 2025, representing three monthly increments as part of the phased return of 2.2 million barrels per day in voluntary cuts. This decision reflected the group's commitment to balancing supply discipline with gradual production increases, while retaining flexibility to pause or reverse increases depending on market conditions.

In May, the oil market dynamics were further influenced by geopolitical tensions and trade policy developments, with prices rising approximately 3% amid optimism over upcoming U.S.-China trade talks. Both countries, as major oil consumers, sought to resolve tensions that had disrupted global demand patterns. However, supply-side pressures from OPEC+ output increases, U.S. sanctions on Iranian oil buyers, and fluctuating expectations around potential U.S.-Iran nuclear negotiations continued to inject volatility into markets.

Nigeria's Bonny Light crude commanded a premium during the period, fueled by strong demand for Nigeria's light sweet crude amid global supply chain complexities and geopolitical uncertainties. The premium reflected both the quality characteristics of Nigerian crude and the broader market dynamics affecting global oil trade patterns..

In terms of price movement, Bonny Light crude recorded a 1.31% increase, settling at $65.73 per barrel, while maintaining an average price of $65.90 per barrel over the period.

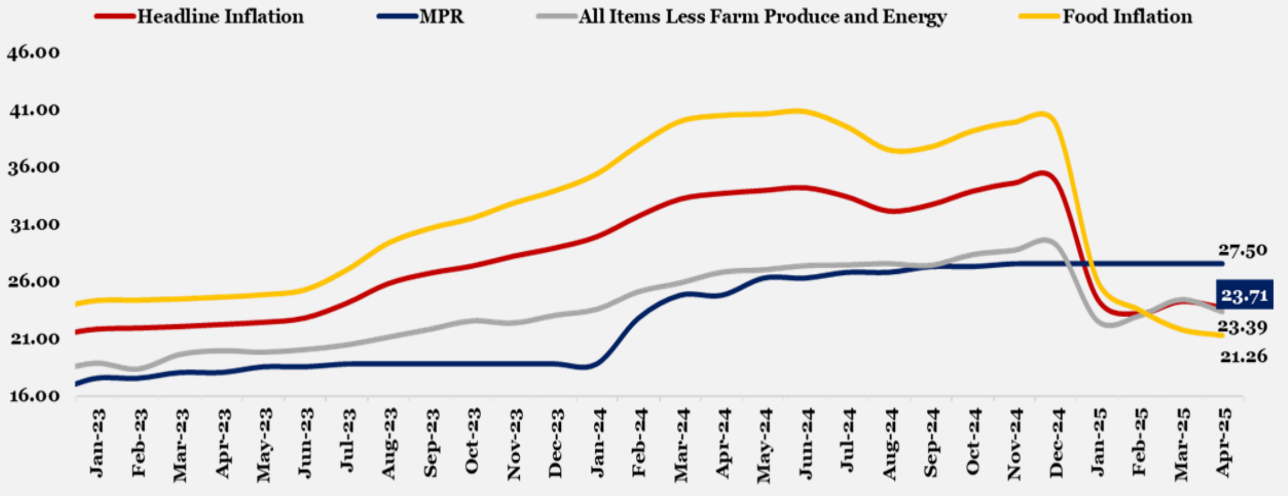


Source: CBN, AIICO Capital

Nigeria: *Base Effect, Lower Food Costs Pull Nigeria's Inflation Down to 23.71%; MPC maintained benchmark rate*

Nigeria's Central Bank maintained a cautious monetary stance throughout the period, with the Monetary Policy Committee unanimously voting to retain the Monetary Policy Rate at 27.5% during its landmark 300th meeting. This decision reflected the committee's assessment of moderating inflationary pressures, with headline inflation declining to 23.71% in April from 24.23% in March, representing a 52-bp decrease. The monthly inflation rate showed more pronounced improvement, falling to 1.86% in April from 3.9% in March, marking a four-month low. Food inflation also eased to 21.26% from 21.79%, while both urban and rural inflation rates demonstrated nationwide moderation in price pressures.

The Central Bank's decision to maintain current policy parameters, including the asymmetric corridor at +500/-100 bps and Cash Reserve Ratio of 50% for commercial banks, reflected a measured approach to monetary policy normalization. Despite the substantial money supply expansion to N119.11 trillion in April 2025, representing a 22.9% increase from the previous year, the monetary authority opted for policy stability to fully assess the impact of earlier tightening measures on economic activity.



Source: NBS, CBN, AIICO Capital

External Sector Developments

Nigeria achieved a significant milestone in external debt management by fully settling its outstanding obligations to the International Monetary Fund, removing the country from the list of debtor nations. The IMF debt decreased from $3.54 billion in December 2020 to complete repayment by May 2025, representing a major improvement in fiscal credibility and investor confidence. This achievement coincided with sustained improvements in foreign exchange reserves, which increased by $364 million between April 30 and May 14, 2025, marking the first consistent two-week upward trend since January.
The external sector received additional support from International Money Transfer Operator inflows, which surged 44.5% to $4.76 billion in 2024 from $3.30 billion in 2023.

Credit Rating Upgrade and Fiscal Performance

Moody's Investors Service upgraded Nigeria's sovereign credit rating from Caa1 to B3 with a stable outlook, marking the second positive rating action under President Tinubu's administration. The upgrade reflected substantial improvements in fiscal and external positions, driven by key reforms including fuel subsidy removal, exchange rate flexibility, and enhanced tax revenue collection. The rating agency also raised Nigeria's local currency ceiling to Ba3 and foreign currency ceiling to B2, acknowledging the Central Bank's increased foreign exchange reserves and reduced fiscal pressures.

The Federation Account Allocation Committee distributed N1.681 trillion in April 2025, representing a 6.5% increase from March's N1.578 trillion. This distribution was supported by total gross revenue of N2.848 trillion, with N101.051 billion deducted for collection costs and N1.066 trillion set aside for transfers and interventions. The improved revenue performance reflected enhanced collection efficiency and economic recovery momentum across various sectors.

Legislative and Structural Reforms

The Nigerian Senate successfully passed all four tax reform bills proposed by President Tinubu, marking a significant milestone in overhauling the country's tax administration system. The Nigeria Revenue Service Establishment Bill and Nigerian Tax Administration Bill proposed replacing the Federal Inland Revenue Service with a new Nigerian Revenue Service, while recommending adjustments to the VAT revenue-sharing formula to favor states and local governments. The Senate rejected proposals to increase VAT to 15% by 2030, maintaining the current 7.5% rate following stakeholder opposition.

The Nigeria Tax Bill 2024 and Joint Revenue Board Establishment Bill completed the legislative package, with the Senate preserving statutory funding for key agencies including TETFund, NITDA, and NASENI. These reforms, once harmonized with the House of Representatives' version and signed into law, are expected to significantly enhance Nigeria's tax administration capacity and revenue generation potential.

Trade and Export Performance

Nigeria's non-oil export sector achieved historic performance in the first quarter of 2025, recording a 24.75% surge to $1.791 billion from $1.436 billion in the corresponding period of 2024. This milestone represented the highest quarterly non-oil export value in the Nigerian Export Promotion Council's 49-year history, driven by increased agricultural, manufacturing, and solid mineral activities. Export volumes rose 24.74% to 2.416 million metric tonnes, encompassing 197 distinct products led by cocoa (45.02% of total value), urea/fertilizers (19.32%), and cashew nuts (5.81%).

The export growth aligned with Nigeria's economic diversification strategy, reaching markets across Africa, the Americas, Asia, Europe, and Oceania. Within Africa, exports to ECOWAS countries soared 223.10% to $63.06 million, while other African nations imported $32.732 million worth of Nigerian goods. Private sector credit growth complemented export performance, rising to N77.9 trillion in April 2025 from N76.2 trillion in Marc.

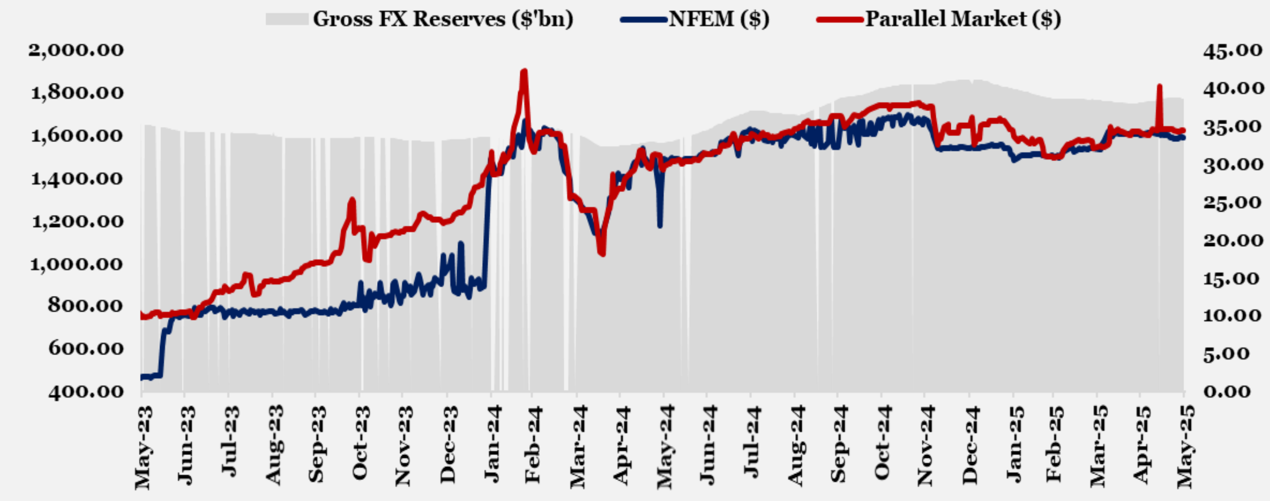
Business Environment and Economic Outlook

Nigeria's Business Performance Index demonstrated positive momentum, rising to +12.29 in April 2025 from +6.58 in March, signaling improved private sector confidence and operational outlook. This uptick reflected gradual recovery in business sentiment, supported by improvements in production activity and marginal gains in the macroeconomic environment. However, structural challenges persisted, with power supply shortages ranking as the most significant obstacle to business expansion, followed by rising commercial lease costs, limited access to finance, unclear economic policies, and restricted foreign exchange availability.

MARKET UPDATE

Foreign Exchange Market – *Naira Ends May at ₦1,586.15/USD as External Reserves Rise $510 Million*

In May, the USD/NGN market traded on a volatile yet relatively stable footing, supported by steady FX interventions and improved liquidity. Early in the month, declining oil prices and elevated FX demand pushed the pair to intraday highs of ₦1,614, but subsequent CBN interventions—totaling over $580 million across various sessions—helped moderate pressures. Sporadic inflows from exporters and foreign investor participation further bolstered liquidity, facilitating intermittent naira appreciation. The pair traded mostly within the ₦1,575–₦1,610 range during the month, with fixing rates fluctuating accordingly. The NAFEX window saw a mild 66bps m/m appreciation to ₦1,586.15/USD, while the parallel market weakened by ₦11 to ₦1,617.50/USD, reflecting persistent street-level FX demand. Notably, Nigeria's external reserves expanded by c.$510 million m/m, closing at $38.45 billion, aided by stronger inflows and a measured CBN intervention strategy. While occasional demand spikes tested the naira, improved market confidence and robust liquidity conditions kept the currency largely anchored.



Source: FMDQ, Rate Captain, AIICO Capital

Outlook: *Going forward, market stability will hinge on oil price trends, CBN's FX management, and broader global risk sentiment.*

Money Market – *Robust Inflows Anchor Interbank Rates Despite Tight Monetary Policy*

Nigeria's interbank market remained well supported by consistent liquidity in May, despite active efforts by the CBN to manage excess cash through aggressive OMO auctions. The month began with a strong liquidity position and ended with an average system liquidity balance of ₦907.33 billion, higher than the previous month's ₦836.49 billion. This resilience was underpinned by large OMO maturities exceeding ₦2.36 trillion, inflows from FGN bond coupons, derivation funds, and Sukuk allocations. Although liquidity was periodically drained by over ₦2.1 trillion in OMO auctions, FX settlements, CRR debits, and sovereign bond settlements, strong subscription levels at CBN auctions signaled investor confidence.

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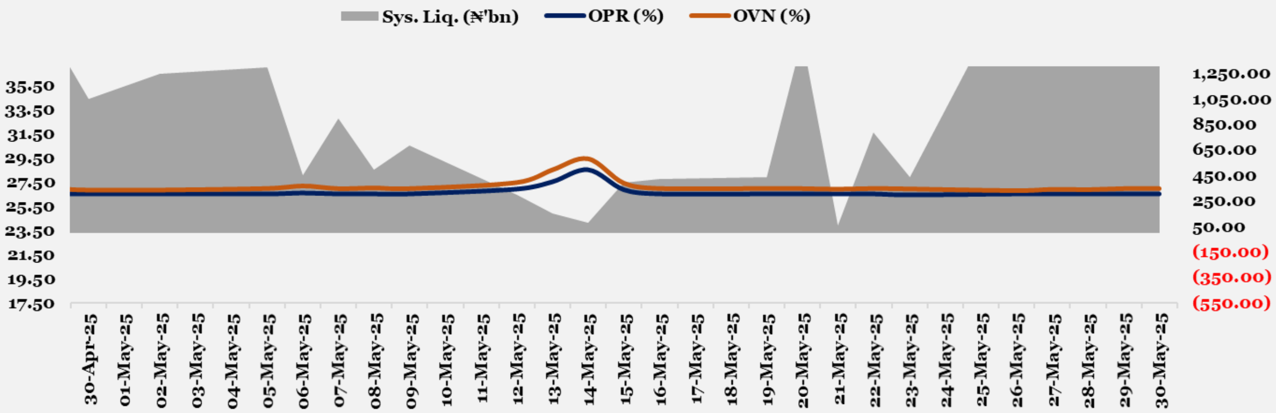
Despite these dynamics, interbank rates remained broadly stable. The average Open Repo Rate declined slightly by 13 bps m/m to 26.68%, while the Overnight Rate moderated by 6 bps m/m to close at 27.18%. Mid-month episodes of rate spikes were short-lived as inflows later restored balance. The Monetary Policy Committee maintained all key parameters, supporting market expectations and funding rate consistency.

Outlook: Funding conditions will remain driven by CBN policy decisions, with expectations for continued monetary tightening. The bank will likely persist with CRR adjustments and OMO auctions as primary liquidity management tools.



Source: CBN, FMDQ, AIICO Capital

Treasury Bills – *Treasury Bills Market Sees Resilient Demand Amid Auction-Driven Activity.*

The Nigerian Treasury Bills (NTBs) market in May reflected mixed sentiments, shaped largely by active primary auctions and intermittent secondary market interest. Early in the month, investor caution led to subdued trading as market participants awaited auction results. The CBN conducted several OMO auctions, attracting strong demand with cumulative bids exceeding ₦2.6 trillion and allotments totaling over ₦2.3 trillion. Stop rates varied slightly across auctions, ranging between 22.65 and 24.98 percent, reflecting firm investor appetite amid tight monetary conditions. Meanwhile, NTB auctions also witnessed robust participation, with subscription levels consistently exceeding offers. A total of over ₦1.2 trillion was allotted, particularly concentrated in the 364-day tenor, which saw marginal rate adjustments across the month. In the secondary market, demand was mostly focused on mid-to-long dated OMO papers, such as the March to May maturities, and new NTB issuances. However, activity remained constrained by wide bid-offer spreads and periods of thin market liquidity. Overall, average mid-yield on benchmark NTBs rose modestly by 8 bps m/m to close at 20.51%.

Outlook: Persistent investor demand and c.₦552 billion in June maturities are likely to drive mixed to bullish market conditions.

MAY 2025 NTB AUCTION RESULT				
Tenor	Apr'25 Close	May'25 Auc 1	May'25 Auc 2	Change M-o-M (basis points)
91	18.00%	18.00%	18.00%	+0.00
182	18.50%	18.50%	18.50%	+0.00
364	**19.60%**	**19.63%**	**19.56%**	**(4.00)**

Source: CBN, FMDQ, AIICO Capital

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MAY 2025 OMO AUCTION RESULTS								
DATE	6-May-25	6-May-25	20-May-25	20-May-25	26-May-25	26-May-25	28-May-25	28-May-25
TENOR (Days)	315	329	182	210	106	169	104	139
DISCOUNT RATE (%)	**22.65**	**22.72**	**23.77**	**23.98**	**23.59**	**24.50**	**23.60**	**24.98**
YIELD (%)	28.15	28.57	26.97	27.82	25.32	27.63	25.30	27.61

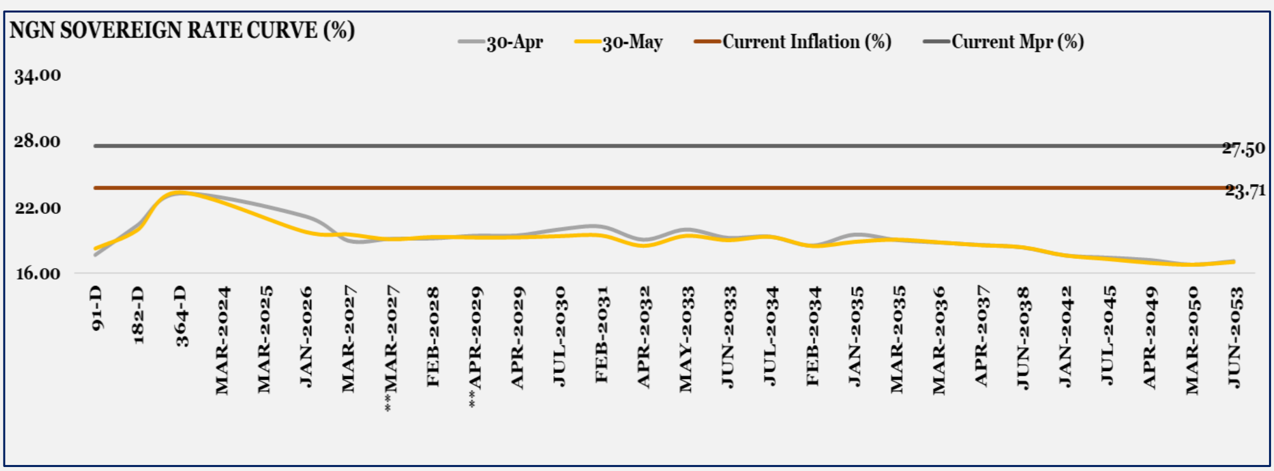
Source: CBN, FMDQ, AIICO Capital

FGN Bond Market – *Muted Sentiment Prevailed Despite Strong Bond Auction Demand*

Market activity remained muted throughout May as investors adopted a wait-and-see approach, balancing auction participation with macroeconomic signals. Early in the month, trading volumes remained thin, with limited interest across benchmark tenors like Feb 2031, May 2033, Jan 2035, and Jun 2053. Investor sentiment was weighed down by uncertainty ahead of the April inflation report and upcoming auctions. The release of the April inflation data, which showed a moderation to 23.71% from 24.23% in March, did little to change the quiet tone of the market.

A key highlight of the month was the ₦300 billion FGN bond auction where strong investor interest resulted in subscriptions of ₦436.41 billion. The DMO allotted ₦300.69 billion at slightly lower stop rates of 18.98% for the April 2029s and 19.85% for the May 2033s. Post-auction, trading improved marginally as unmet demand shifted to the secondary market, particularly in the 2033s and 2034s. Despite sporadic activity and some cherry-picking in long-dated maturities, overall sentiment remained soft. The average mid-yield fell 21 bps m/m to settle at 18.68%.

Outlook: Trading is likely to remain mixed-to-bullish, though investor caution may linger near half-year. June coupon payments of ₦217.42 billion could provide support.



Source: FMDQ, NBS, CBN, AIICO Capital

MAY 2025 BOND AUCTION RESULT						
Maturity	Offer (₦'bn)	Sub (₦'bn)	Allot (₦'bn)	Marginal Rate	Apr'25 Close	Change M-o-M (basis points)
17-Apr-29	100.00	16.44	4.71	**18.98%**	**19.00%**	**(2.00)**
15-May-33	200.00	419.96	295.99	**19.85%**	**19.99%**	**(14.10)**
	300.00	**436.41**	**300.69**			

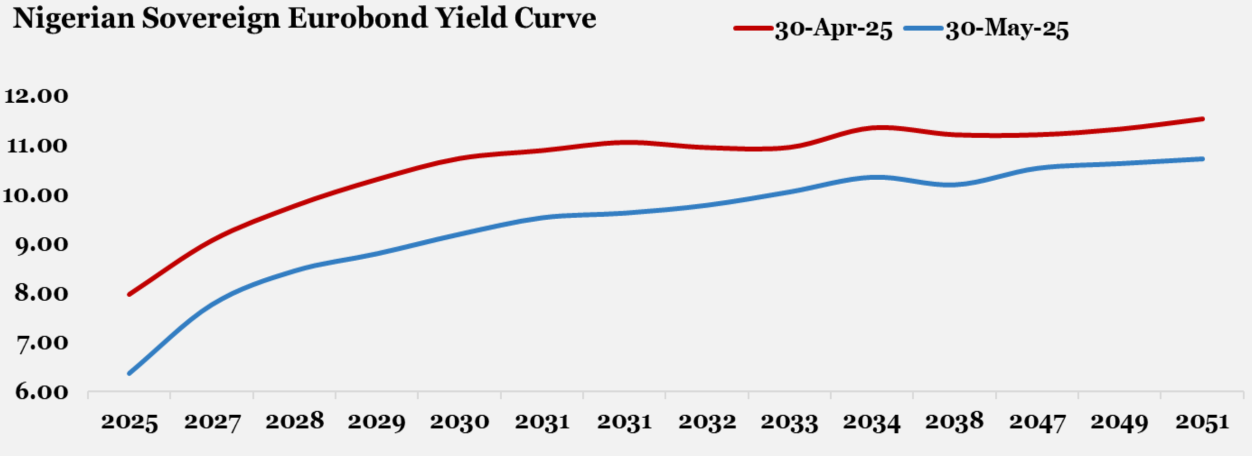
Source: FMDQ, NBS, CBN, AIICO Capital

Eurobonds Market – *OPEC+ Output Plans and Trade War Fears Drive African Sovereigns' Volatility*

The Nigerian Eurobond market experienced a mixed but ultimately positive trend throughout the month, shaped by a range of global macroeconomic factors and geopolitical developments. Early trading was subdued due to U.S. holidays and geopolitical uncertainties including potential conflicts in the Middle East. Sentiment improved mid-month following a temporary U.S.-China tariff truce, softer U.S. inflation data, and upbeat U.S. services reports, which eased recession fears but maintained inflation concerns. Crude oil price fluctuations influenced the market significantly, with oil-linked issuers such as Nigeria and Angola benefiting from firmer prices, though midweek profit-taking and renewed supply concerns introduced volatility.

The Federal Reserve's decision to maintain rates steady at 4.25 to 4.50%, alongside hawkish minutes highlighting inflation persistence, tempered optimism and kept rate cut expectations low. Despite this, improved risk appetite, aided by easing U.S.-China trade tensions and the reversal of certain tariffs, supported demand, particularly for Nigerian Eurobonds. By month's end, bargain hunting and risk-on sentiment prevailed, leading to a 115-bp decline in the average mid-yield to 9.43%

Outlook: Markets face sustained volatility from oil swings and trade policy shifts. Trading patterns will remain uneven as investors balance energy market risks, U.S.-China tariff updates, and monetary policy guidance.



Source: FBN UK, AIICO Capital

MARKET UPDATE.../5

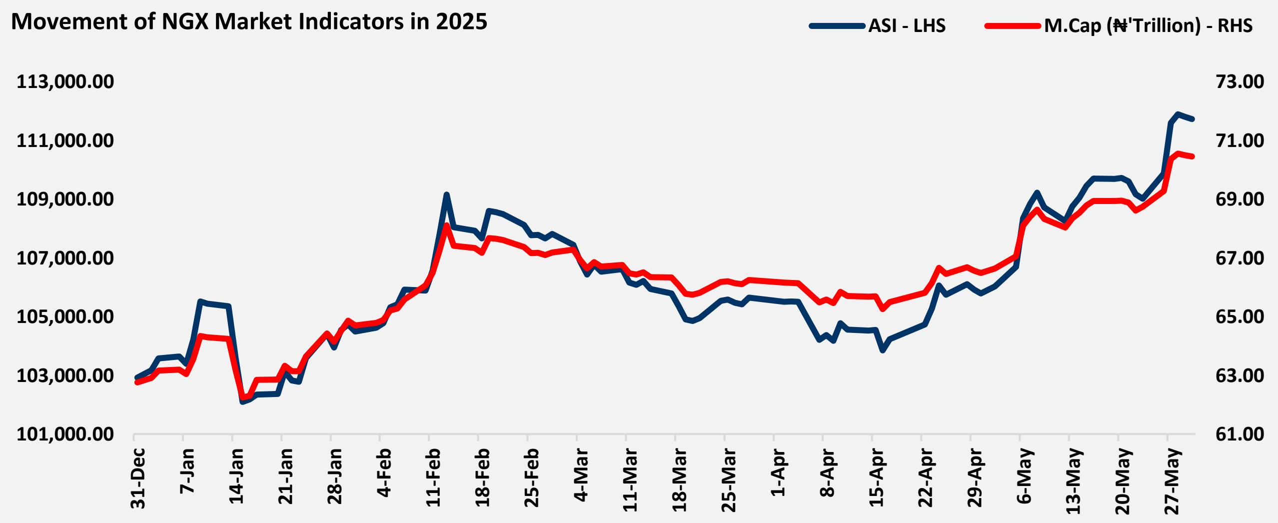
Equities Market Performance – *Strong Gains in Consumer Goods Boost NGX as Market Capitalization Attains ₦70.46 Trillion*

The Nigerian stock market extended its bullish trend in May, buoyed by strong investor sentiment, particularly in the Consumer Goods sector. The NGX All-Share Index (NGX-ASI) rose by 5.62% to close at 111,742.01 points, while market capitalization increased by 5.97% to ₦70.46 trillion. This growth was further supported by the listing of an additional 6.84 billion ordinary shares by United Bank for Africa Plc, following its recent Rights Issue.

Investor optimism was largely driven by price gains in a mix of mid-cap and blue-chip stocks, including BETAGLAS, NNFM, NESTLE, INTBREW, NB, OKOMUOIL, PRESCO, ARADEL, MTNN, GTCO, BUAFOODS, and DANGCEM, among others.

Sector performance was broadly positive, with four out of five major indices posting gains. The Consumer Goods sector led the pack with an impressive 18.71% increase, followed by Industrial Goods (2.39%), Banking (1.86%), and Insurance (1.60%), reflecting renewed investor confidence. The Oil & Gas sector, however, remained in negative territory, declining by 1.17% despite a price uptick in Aradel Holding Plc.

Market activity also showed significant improvement. A total of 13.55 billion shares valued at ₦350.25 billion were traded across 377,122 deals, compared to 8.28 billion shares worth ₦241.02 billion in 261,326 deals recorded in April.



Source: NGX, AIICO Capital

Market Sector	May-24	Apr-25	May-25	YTD
NGX-ASI	1.07%	0.13%	5.62%	8.56%
Banking	3.03%	-1.52%	1.86%	7.29%
Consumer Goods	1.16%	10.42%	18.71%	37.44%
Industrial Goods	0.16%	-3.59%	2.39%	-3.56%
Insurance	-5.40%	-3.52%	1.60%	-4.63%
Oil & Gas	2.06%	-4.23%	-1.17%	-14.19%

Source: NGX, AIICO Capital

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Top 10 Decliner	Close	Open	%Change
ABBEYBDS	6.19	8.30	-25.4%
ETERNA	43.00	49.95	-13.9%
SEPLAT	4964.40	5700.00	-12.9%
WEMABANK	13.30	15.10	-11.9%
VERITASKAP	0.98	1.11	-11.7%
UNIONDICON	7.30	8.25	-11.5%
DEAPCAP	0.96	1.08	-11.1%
TRANSPOWER	328.50	364.90	-10.0%
MRS	141.80	157.50	-10.0%
ENAMELWA	22.80	25.30	-9.9%

Top 10 Performer	Close	Open	%Change
BETAGLAS	258.50	99.85	158.9%
NNFM	138.90	75.00	85.2%
HONYFLOUR	23.00	13.00	76.9%
CAVERTON	4.00	2.42	65.3%
UPL	6.17	3.74	65.0%
ACADEMY	4.45	2.87	55.1%
CHAMPION	7.10	4.70	51.1%
REDSTAREX	7.59	5.05	50.3%
FTNCOCOA	2.64	1.82	45.1%
NESTLE	1590.50	1100.00	44.6%

Source: NGX, AIICO Capital

Outlook: Looking ahead to June, we anticipate that the positive sentiment will persist. This optimism is expected to be fueled by investor expectations of interim dividends from companies with a consistent history of interim payouts.

Contact us now to receive valuable investment guidance today.

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