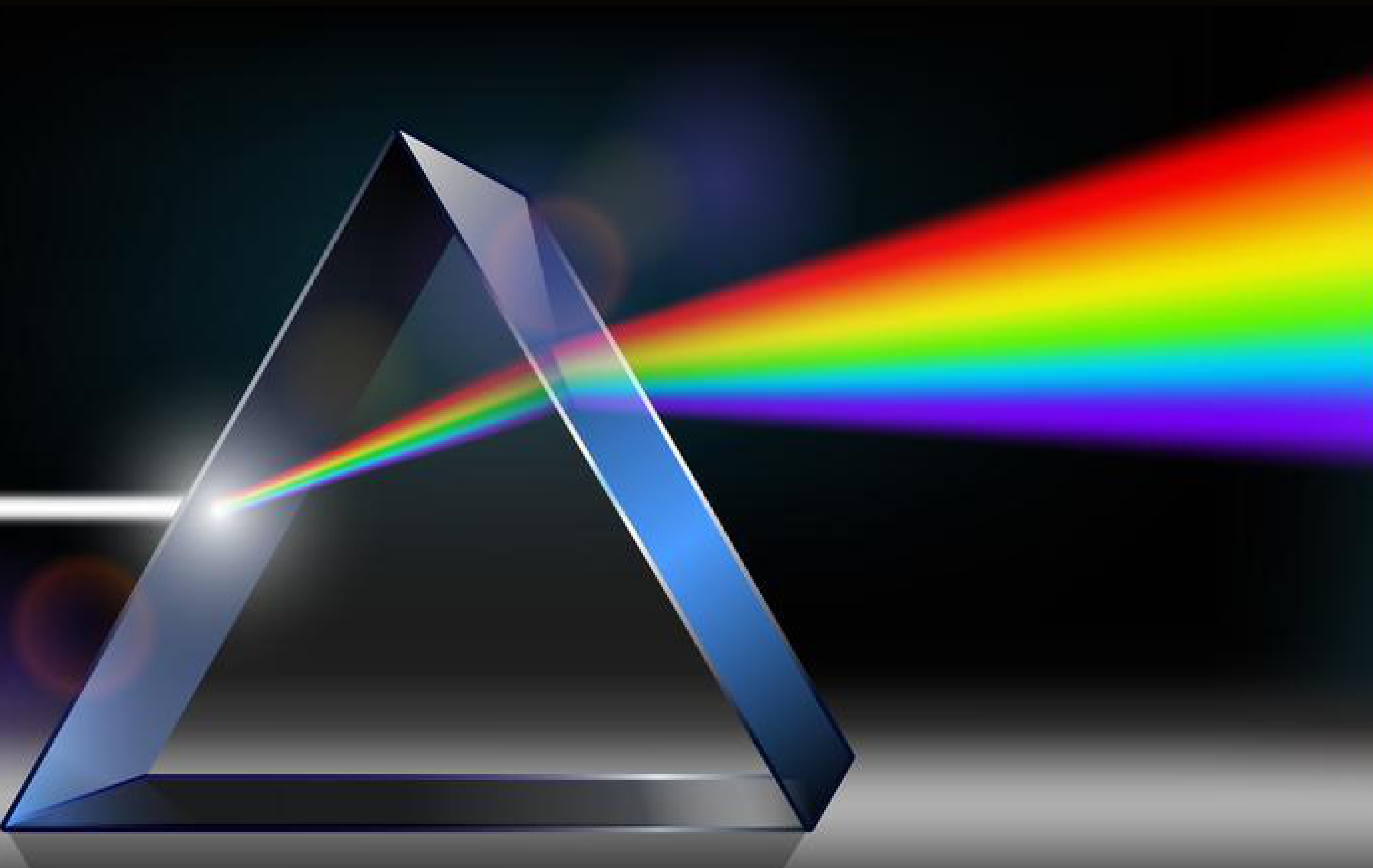
April 25, 2025

PRISM



BIZNOMICS

CONTENTS

THE PRISM (BIZNOMICS)

OVERVIEW

Rising inflation amid mixed policy signals

Nigeria's inflation surprisingly rose in the month of March, contrary to consensus expectations. The reasons for this can be attributed to money supply growth of 23.9%, exchange rate depreciation, a 50% telco tariff hike, and the increase in petrol price.

While inflation remains a core concern for households and businesses alike, recent government actions appear to be contrarian to this economic reality.

The DMO's issuance schedule for Q2'25 has been reduced by nearly 50% to between ₦900bn and ₦1.2trn from ₦1.8trn in Q1'25. This effectively reduces the amount of liquidity being withdrawn from the system, thereby increasing the net money supply in circulation.

The latest Treasury Bill auction rates have declined across the board. These falling rates, amid surging inflation, send mixed signals to markets and investors. The implied message is one of excess liquidity or policy easing, which contradicts the broader inflationary environment.

The negative impact of Trump's tariffs may be exaggerated

While global conversations focus on geopolitical tensions and the ongoing tariff war between the U.S. and the rest of the world, its actual impact on the global economy is overstated.

Previous global financial crises, such as the 1998 Asian Financial Crisis or the 2008 subprime mortgage collapse—events rooted in systemic failures—this trade conflict stems from deliberate policy decisions with limited direct transmission to the real economy.

Yet, these external distractions risk overshadowing more urgent domestic issues.

Currency pressures and oil market dynamics weigh on Nigeria's outlook

Against the basket of currencies, the dollar weakened by 8.8%. In addition, the naira depreciated by 5% against the falling dollar. The combined effects of these two are the effective depreciation of the naira by 14%.

During the same period, the pump price of Premium Motor Spirit (PMS) declined slightly to ₦890 per litre from ₦920, reflecting downward pressure from falling global oil prices, which dropped from $74 per barrel on April 2 to $66 per barrel by April 25, 2025.

Nigeria's oil production declined to 1.4 million barrels per day in March, down from 1.47 million in February, compounding concerns over fiscal revenue and export earnings.

This could be worsened by projected falling oil prices, driven by trade tensions and the growing influence of the US, Saudi Arabia, Russia, and OPEC, which pose a serious risk to Nigeria's oil-dependent economy.

Inflation watch: all eyes on the April data

With reinflation in March, focus is shifting to the next inflation release and how the CBN might respond. Market participants are also closely watching the naira's movement, with expectations growing that currency pressures could intensify if policy misalignment persists.

In this edition of FDC Prism, the FDC Think Tank examined Nigeria's current macroeconomic environment, driven by both internal factors (inflation and declining oil production) and external pressures (such as currency fluctuations and geopolitical tensions).

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BOOSTING NIGERIA'S PRODUCTIVITY AND OUTPUT THROUGH DEVELOPMENT FINANCING INSTITUTIONS (DFIS) - LESSONS FROM CHINA

As Nigeria seeks to diversify its economy from the oil dependency, increase productivity, and promote inclusive growth, the role of Development Finance Institutions (DFIs) such as the Bank of Industry (BOI) become increasingly vital. DFIs are designed to provide long-term financing in sectors where commercial financial institutions are often reluctant to tread, such as agriculture, infrastructure, manufacturing, and small and medium-scale enterprises (SMEs). A powerful example of how such institutions can be engines of national productivity is the China Development Bank (CDB), whose robust and strategic interventions in infrastructure and industrial development have significantly contributed to China's sustained growth. This article explores how BOI can enhance Nigeria's productivity and economic output without causing economic overheating or macroeconomic instability, using the CDB experience.

BOI's current position and potential leverage

BOI's growing asset base and outreach efforts indicate a strengthening foundation. Between 2019 and 2023, BOI's total assets increased from $3.38 billion to $6.06 billion. Loans and advances, although showing fluctuations, were valued at $1.77 billion by 2023. While these figures are commendable, they still represent a small fraction of Nigeria's GDP. BOI assets amounted to mere 1.67% of GDP in 2023 while loan and advances stood at 0.49% of GDP.

Table 1. Summary of BOI assets and loans (2019-2023)

Year	BOI's Total Assets ($'bn)	BOI's Loans and Advances ($'bn)	Nigeria's GDP ($'bn)	BOI's Total assets to GDP (%)	BOI's Loans and Advances to GDP (%)
2019	3.38	2.41	474.52	0.71	0.51
2020	5.19	2.09	432.20	1.20	0.48
2021	4.26	1.94	440.83	0.97	0.44
2022	5.57	1.89	477.40	1.17	0.40
2023	6.06	1.77	363.85	1.67	0.49

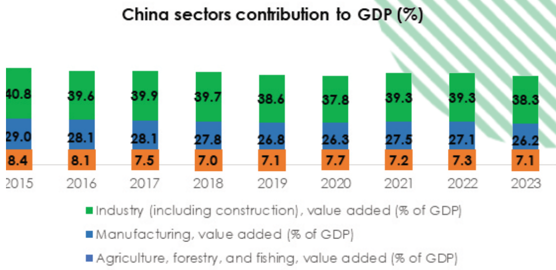
Source: World Bank BOI, FDC Think Tank

In contrast, CDB's assets in 2023 amounted to 14.78% of China's GDP, and its loans and advances to GDP stood at 11.80% of GDP. The comparison indicates ample headroom for BOI to scale its operations without triggering inflationary pressures, mainly if such credit expansion is targeted at productive sectors.

Table 2. Summary of CDB assets and loans (2019-2023)

Year	CDB's Total Assets ($'trn)	CDB's Gross Loans and Advances to Customers ($'trn)	China's GDP ($'trn)	CDB's Total Assets to GDP (%)	CDB's Gross Loans and Advances to Customers to GDP (%)
2019	2.39	1.77	14.28	16.74	12.39
2020	2.48	1.89	14.69	16.88	12.87
2021	2.66	2.06	17.82	14.93	11.56
2022	2.71	2.15	17.88	15.16	12.02
2023	2.63	2.10	17.79	14.78	11.80

Source: World Bank, China Development Bank, FDC Think Tank



Source: World Bank, FDC Think Tank

Catalyzing productivity through sectoral interventions

Agricultural finance and food security

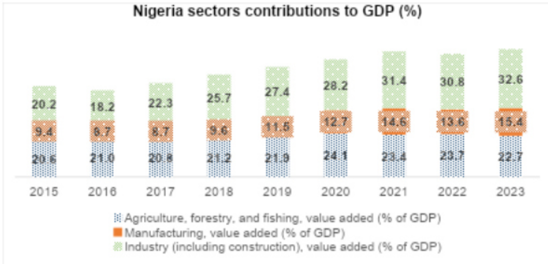
BOI's Smallholder Farmer Financing Product, which disbursed $15.50mn to 27,645 farmers in 2023, is a step in the right direction. However, agriculture remains underfunded relative to its potential contribution to GDP and employment. In 2024, agriculture contributed 20.97% to Nigeria's GDP, yet agricultural development remains largely at the subsistence level.

CDB's support for rural and agricultural infrastructure offers a model—targeted loans for rural transport, irrigation, storage, and farm modernization can dramatically increase yields and reduce post-harvest losses. In China, agriculture accounted for just 7.12% of GDP in 2023, yet the sector remains a vital foundation for food security and rural livelihoods. Recognizing this, the CDB introduced targeted interventions such as special loans for farmland construction and modern protected agriculture, each totaling $14.12bn. These initiatives were not just about disbursing credit—they were part of a broader strategy to optimize resource allocation and channel investment into high-impact agricultural infrastructure. BOI could scale its financing in this sector by collaborating with state governments and international partners, while ensuring a feedback loop for evaluating outcomes.

Manufacturing and industrialization

CDB has aggressively supported China's industrial upgrade with manufacturing loans exceeding $166.57trn in 2023, thereby pushing the frontier in high-tech manufacturing and industrial modernization. In 2023, China's manufacturing sector contributed 26.18% to its GDP, while industry (including construction) accounted for 38.28%. These high shares reflect decades of strategic investment and industrial upgrading, supported by institutions like the CDB, which finances high-tech manufacturing, industrial parks, and export-oriented production. In 2023, China's exports of goods and services totaled $3.513 trillion, accounting for 19.74% of its GDP, while manufacturing exports as a percentage of merchandize exports were 91.9%.

In 2024, Nigeria's manufacturing sector contributed 8.6% to GDP, while industry (including construction) accounted for 18.5%—figures that, though notable, highlight a significant productivity gap compared to industrialized economies like China. To bridge this gap, the BOI can build on its existing initiatives, such as the MSME Distributor Finance Programme and digital lending platforms, by scaling support for mid-sized industrial firms and investing in industrial clusters. Targeted financing for value-added sectors, such as agro-processing, textiles, and basic manufacturing, would not only spur output and job creation but also advance Nigeria's goals of import substitution and local content development.



Source: World Bank, FDC Think Tank

Infrastructure as a productivity multiplier

China's productivity boom owes much to strategic infrastructure investment, with CDB providing over $211.74trn in infrastructure loans in 2023 alone. Whether it's roads, railways, ports, energy, or digital infrastructure, the underlying strategy was to reduce transaction costs, enhance market access, and connect economic zones.

Specific Projects and loan advances

Infrastructure	Projects	Loan advances ($)
Transport infrastructure	Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, and Chengdu-Chongqing economic circle Tangshan Port, Ningbo-Zhoushan Port, Yangpu Port, and Beibu Gulf Port, as well as Pinglu Canal Dalian's new airport, Xiamen's new airport, Jinan Airport (phase II), and Shanghai Pudong Airport Expansion	$373.28bn $136.74bn
Water conservancy infrastructure	General	$69.95bn
Oil and Gas infrastructure	Sichuan-East Gas Pipeline 2, West-East Gas Pipeline 3, and West-East Gas Pipeline 4	$4.26bn
Science and technology infrastructure	Hefei Comprehensive National Science Center and Xi'an Science Park High-energy Sci-Tech Innovation Platform Tsinghua Science City, Xiamen Science City in Lainhe area and Jiuxikou area	
Logistic infrastructure	Caofeidian, Tangshan and Hengyang International Logistics Port (Phase I)	$1.38bn
Modern industrial system development	development of high-tech manufacturing – Sanya Yazhou Bay Science Technology City	$167.97bn
People's Livelihood	affordable rental housing, benefiting over 480,000 households. It helped over 30 million households move into new apartment buildings	$20.65bn
Belt and Road Initiative (BRI)	Jakarta-Bandung High-speed Railway in Indonesia, Lekki Deep Sea Port in Nigeria, Shymkent Oil Refinery Modernization in Kazakhstan, and a credit line to the National Bank of Egypt	$49.41bn financing window and $5bn special facility for Global Development Initiative (GDI)

Source: CDB financial report, 2024, FDC Thick Tank

While BOI is not an infrastructure bank per se, it can serve as a conduit for public-private partnerships, on-lending to state infrastructure projects, and facilitating credit to local contractors. With its strong ties to social intervention funds and multilateral programs, BOI can become a point of access for infrastructure-linked productivity initiatives, especially those targeting industrial parks and logistics hubs.

Avoiding Economic Overheating: Lessons in Prudence

One of the concerns with increased credit expansion is the risk of overheating the economy, which can manifest as inflation, asset bubbles, or unsustainable debt. However, China's experience shows that strategic credit deployment tied to productivity-enhancing projects helps mitigate such risks. See Table 3.

BOI can adopt a similar strategy by phasing disbursements to align with project timelines. Prioritizing sectors with high economic multipliers, such as agro-processing, housing, and logistics. Embedding monitoring frameworks to ensure funds are used as intended and contribute to economic output. Ensuring that local currency funding dominates its portfolio to avoid pass-through inflation from exchange rates.

Furthermore, collaboration with the Central Bank of Nigeria (CBN) and the Ministry of Finance on monetary and fiscal coordination will help ensure that credit expansion does not outpace the real sector's absorption capacity.

Building strategic alliances and mobilizing long-term capital

CDB's model demonstrates the power of aligning with national strategies while securing multilateral and bilateral funding for long-term development. BOI, which already manages funds on behalf of the Federal Government and partners like the World Bank and the Islamic Development Bank, can deepen these partnerships.

In 2023, BOI facilitated programs such as the NG-CARES initiative and the BRAVE Women Nigeria programme. These interventions not only disbursed critical funds but also reached marginalized groups—14,046 and 1,038 beneficiaries, respectively—showing how BOI can simultaneously drive productivity and inclusion.

To expand its funding pool sustainably, BOI can issue development bonds focused on sectors such as green energy, women-led enterprises, or industrial clusters. Partner with pension funds and sovereign wealth funds for infrastructure financing. Facilitate diaspora investment schemes targeted at high-impact sectors.

BOI's Role in human capital and innovation

CDB's support for scientific research, student loans, and tech platforms demonstrates an understanding that productivity is not just physical capital but also human and intellectual capital. In 2023, the CDB disbursed $8.56bn in student loans, providing financial support to 5.63 million students. In Nigeria, BOI's fintech lending platform and digital channels are steps toward inclusive financial access, but there is room for a broader impact. BOI could create specialized windows for Tech incubators and innovation hubs. Student loan programs are in partnership with universities and training institutions. Skills development financing, especially in collaboration with vocational training centers and polytechnics. Such initiatives would align with the demands of a modern industrial economy and help absorb Nigeria's youthful labor force into productive ventures.

Charting a sustainable path for Nigeria

The evidence from CDB shows that a development finance institution, when well-capitalized and strategically aligned with national priorities, can become a central pillar of economic transformation. While Nigeria's BOI remains significantly smaller in terms of GDP ratio than CDB, its recent achievements, such as creating over 2 million jobs and supporting nearly 76,000 enterprises in 2023, demonstrate its potential.

To boost productivity and output without macroeconomic instability, BOI must scale smartly, deepen its focus on high-multiplier sectors, and ensure that every naira of credit generates tangible improvements in employment, industrial output, and export capacity. By marrying ambition with prudence, BOI can help drive Nigeria's development agenda in the years ahead, just as CDB has done for China.

TIT-FOR-TAT, US-CHINA TARIFF RETALIATION AND THE CALL FOR AFRICA'S REALIGNMENT

The world has once again been thrust into a trade war — this time, with more intensity, broader targets, and more profound global consequences. The renewed US-China tariff conflict in 2025, spearheaded by President Trump, has unleashed waves of economic uncertainty, stock market turmoil, and disruptions to the global value chain. Unlike previous skirmishes, this round of economic hostilities has spread beyond bilateral tensions, drawing in multiple countries and putting emerging markets, especially in Africa, in a vulnerable position. As tariff hikes and retaliations accelerate, African economies must tread carefully, leveraging this disruption to craft resilient and forward-looking trade strategies.

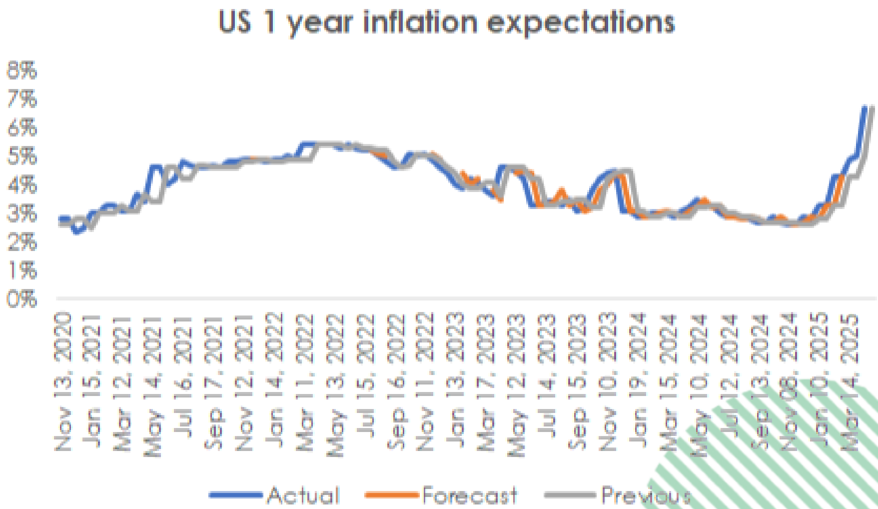
Escalation: A timeline of trade tensions

On April 2, the United States announced a sweeping baseline and reciprocal tariff on almost all countries of the world, including China. What followed was an aggressive volley of retaliations: China had imposed a staggering 125% retaliatory tariff on US imports. Notably, on April 9, Trump increased US tariffs on Chinese goods to as high as 145%, while simultaneously pausing additional tariffs on other nations for 90 days, reverting to a baseline rate of 10% during that period.

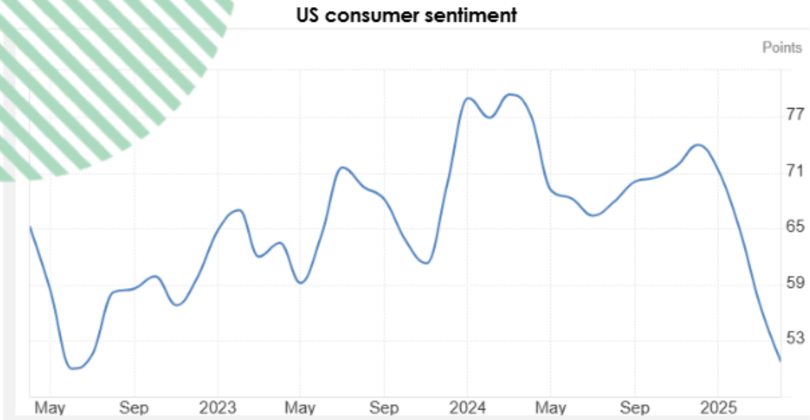
The pace and breadth of these policy changes signaled a prolonged conflict, with the US also extending tariffs to 185 countries and targeting sensitive sectors such as automobiles and steel.

Inflation, volatility and uncertainty

The US market response has been severe. Inflation expectations, already running hot, soared further. The University of Michigan's consumer survey showed year-ahead inflation expectations hitting 6.7% in April 2025, the highest since 1981. The five-year inflation outlook rose to 4.4%, raising concerns for the Federal Reserve.

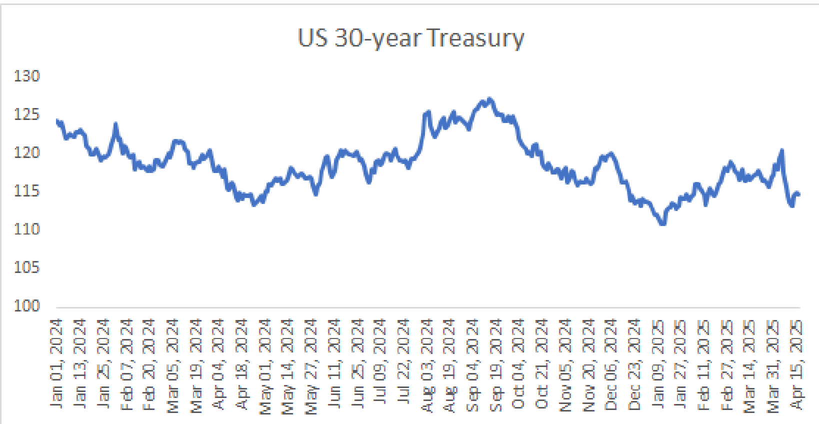


Source: University of Michigan, FDC Think Tank

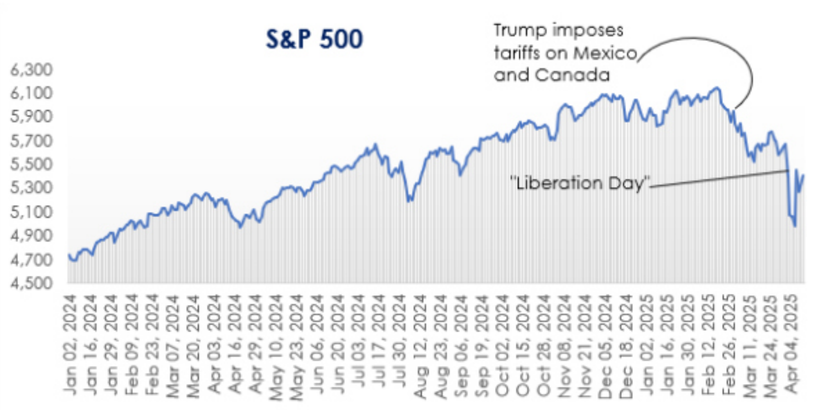


Source: University Of Michigan, Trading Economics

Consumer sentiment plunged to 50.8—its lowest in nearly three years—as households braced for higher costs, weaker incomes, and deteriorating labor conditions. Treasury yields spiked, with the 30-year yield surpassing 5%, marking the sharpest weekly move since the early 1980s. Equity markets echoed the dismay: so far, the S&P 500 has lost nearly 12%, while the US dollar index dropped by almost 9%.



Source: Investing.com, FDC Think Tank



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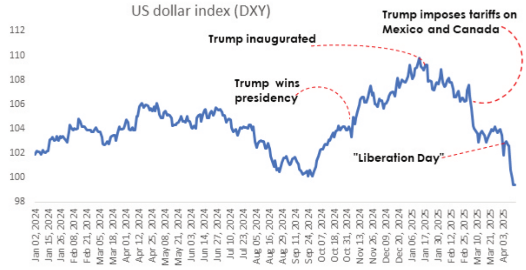


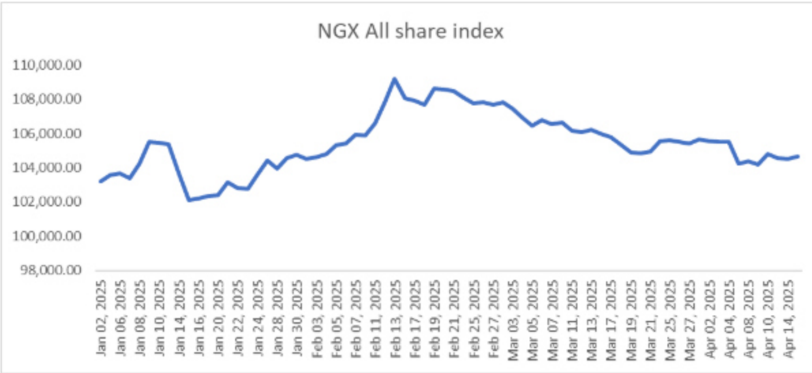
This financial instability underscores the real economic costs of trade aggression: capital flight, investor caution, and looming recession fears. And while the primary combatants are the US and China, collateral damage is spreading globally.

Shockwaves in Africa: Case Studies in Vulnerability

Nigeria

Nigeria finds itself at a precarious crossroads. The imposition of a 14% US tariff on non-oil Nigerian exports, such as urea, cocoa, refined lead, soy meal, and rubber, dampens the country's diversification efforts. Although crude oil, Nigeria's primary export to the US, remains exempt, the overall trade uncertainty has slashed global oil prices to $65 per barrel, well below Nigeria's $75 benchmark.

Source: Investing.com, FDC Think Tank



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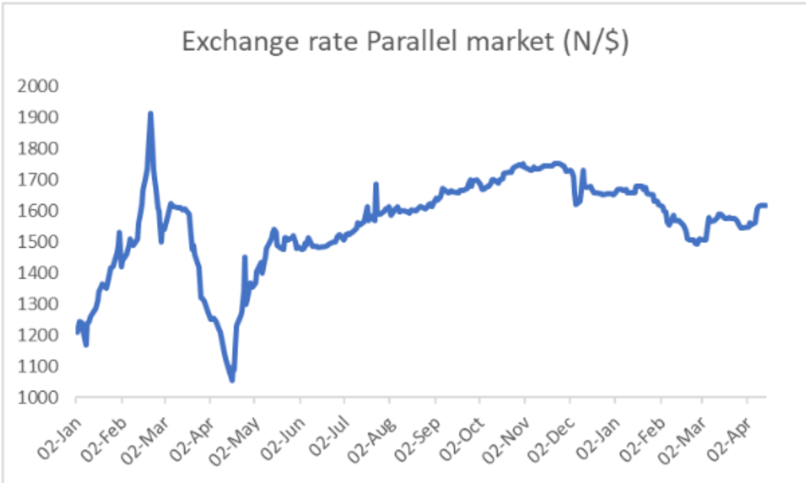

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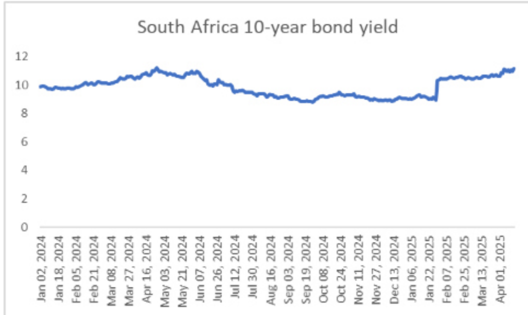

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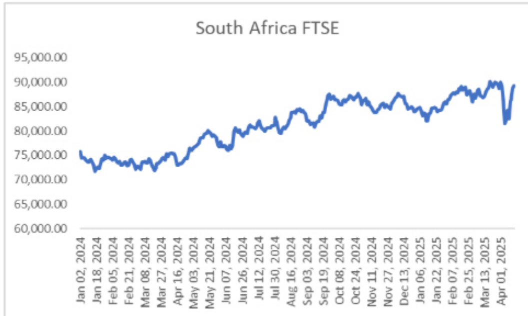

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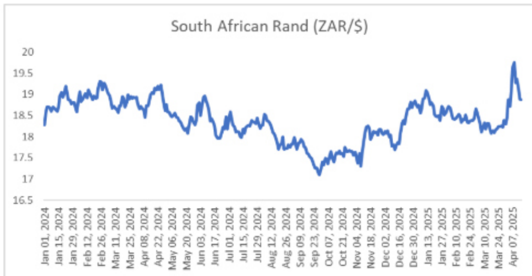


Source: Investing.com, FDC Think Tank

Consequently, export revenues are shrinking, the naira has depreciated by a combined 13.1% when adjusted for dollar weakness, and the Nigerian stock market (NGX ASI) has declined 1.51%. Bond yields fell by 8.17% as risk sentiment weakened, and investors retreated from Nigerian assets.

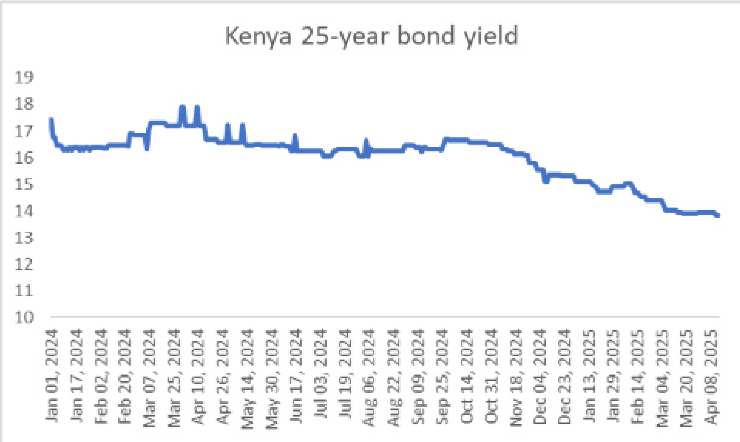
South Africa

South Africa is among the most brutally hit in Africa, bearing the brunt of a 30% specific US tariff and an additional 25% tariff on auto exports. These tariffs directly target the automotive industry—a key export sector—and threaten up to $3.8bn in annual export earnings.

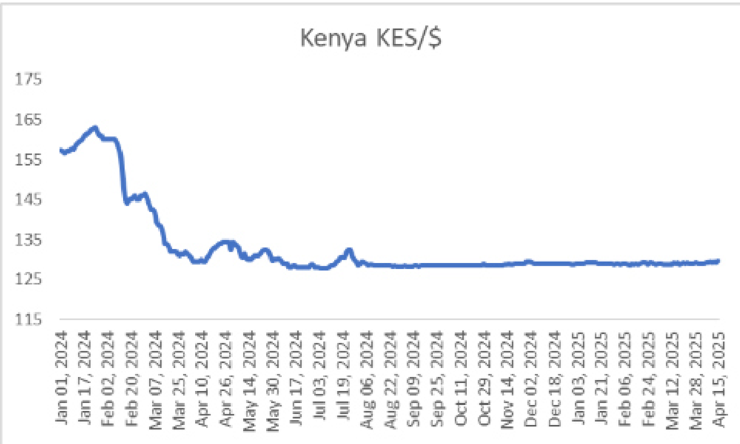
GDP growth projections have been slashed from 1.8% to between 1.1% and -0.69%, while job losses in manufacturing could reach 50,000. The rand depreciated by 0.6%, and consumer confidence collapsed, with the FNB/BER index falling to -20. Economic uncertainty has worsened structural issues, such as power outages and poor logistics, further weakening South Africa's competitiveness.

Kenya

Kenya's AGOA-dependent exports—textiles, flowers, tea, and coffee—have been hit by the 10% US tariff. Textiles, which account for 72% of Kenya's exports to the US, face cost pressures that may lead to job losses among the 80,000 workers employed in export processing zones.



Source: Investing.com, FDC Think Tank



Source: Investing.com, FDC Think Tank

Exports to the US fell 17.5% in 2024, and the Central Bank of Kenya projects a further $100mn decline in 2025. The Nairobi Securities Exchange dropped 4.08%, the Kenyan shilling weakened by 0.68%, and investor confidence in trade-exposed sectors has waned amid fears AGOA may not be renewed beyond September 2025.

Africa, caught in the crossfire

The trade war highlights the vulnerabilities of African economies that are dependent on preferential trade terms, narrow export baskets, and limited market diversification. It underscores a more profound truth: Africa's trade architecture is still heavily reliant on Western markets, particularly the US and EU, making it susceptible to external policy shifts.

As tariffs raise prices and reduce export competitiveness, African firms face shrinking margins, falling demand, and job losses. Financial markets, already volatile, are reacting negatively to the policy uncertainty, driving up the cost of borrowing and increasing exchange rate volatility.

Positioning Africa amid turbulence

President Trump's "Liberation Day" tariffs and the global topsy-turvy are reshaping markets. The US-China tariff war has intensified Africa's vulnerability to external shocks. It is time to rethink strategy. African nations must find trade partners. Invest in regional value chains. Strengthen intra-African trade through AfCFTA. Focus on industrialization and self-reliance. Build resilient supply chains. Develop policies that attract new investors. Amid turbulence, there is opportunity. Africa must act now to secure its future. We suggest the following:

Accelerate AfCFTA implementation

The African Continental Free Trade Area (AfCFTA) offers a long-term solution by deepening intra-African trade. By harmonizing regulations and removing internal barriers, Africa can build regional value chains, increase resilience, and reduce dependence on external markets.

Identify alternative trade partners

Africa needs to reduce its overreliance on the US and the EU. Asian economies—particularly India, Indonesia, and Vietnam—offer alternative destinations for African goods. Deepening ties with BRICS nations and signing bilateral agreements with the Gulf and ASEAN countries can open new opportunities.

Boost domestic manufacturing

Tariff disruptions highlight the dangers of exporting raw materials without local value addition. Countries like Nigeria and Kenya should accelerate industrialization policies, build processing capacity, and incentivize SMEs to create export-grade finished goods, reducing vulnerability to commodity price swings.

Negotiate new trade deals

With AGOA's future uncertain, African governments must proactively negotiate bilateral deals that offer tariff-free access and promote mutual interests. Leveraging green energy, strategic minerals, and digital services may provide new bargaining chips in talks with global powers.

Invest in trade infrastructure

Improvements in ports, transport corridors, customs automation, and energy supply will make African exports more competitive in the global market. In the short term, African nations can offer fiscal incentives or export credits to help firms survive during the tariff turbulence.

Turning crisis into opportunity

The US-China tariff war is not just a geopolitical standoff; it's a stress test of global economic interdependence. For African nations, it is both a threat and a wake-up call. While the near-term pain from reduced exports, falling currencies, and financial market volatility is real, the longer-term opportunity lies in rethinking Africa's trade model.

By leveraging regional integration, building manufacturing resilience, and forging new global trade alliances, Africa can not only withstand the ongoing trade shocks but also emerge stronger, more autonomous, and globally competitive. The tit-for-tat between global superpowers may have thrown the world into chaos, disorder and uncertainty—but for Africa, it's a rare chance to reset and rise.

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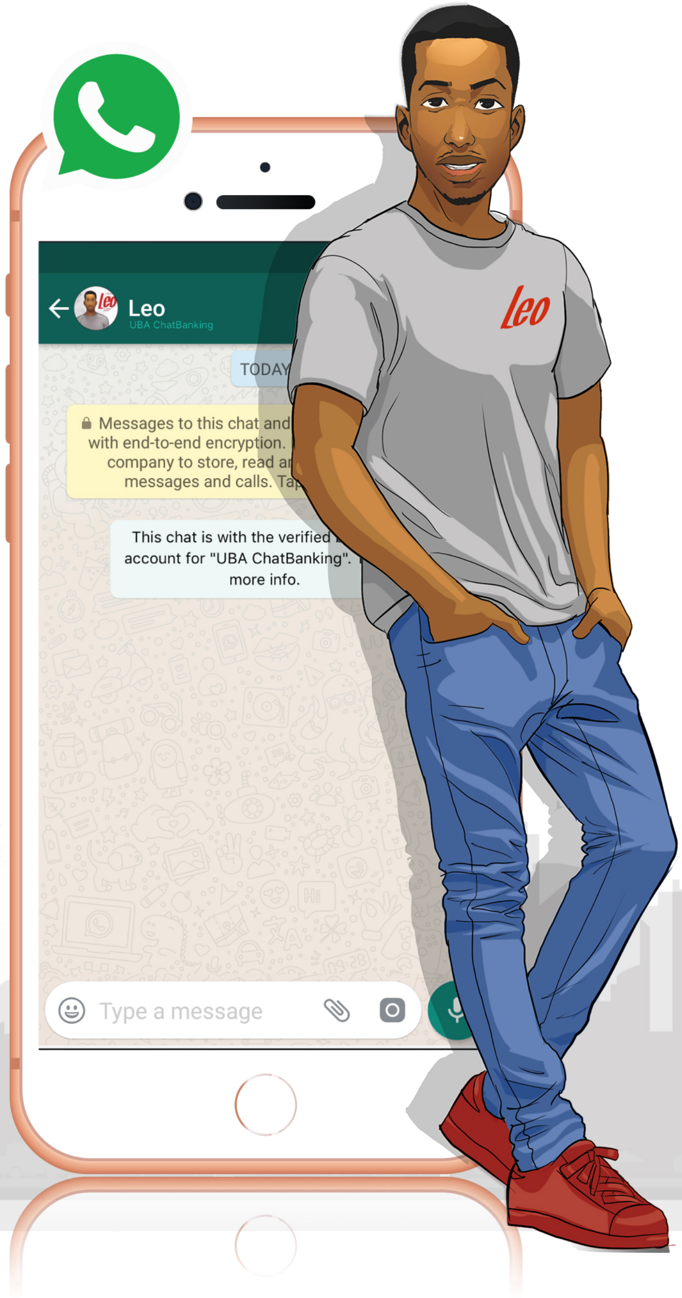

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GLOBAL PERSPECTIVE

DONALD TRUMP VS MR MARKET
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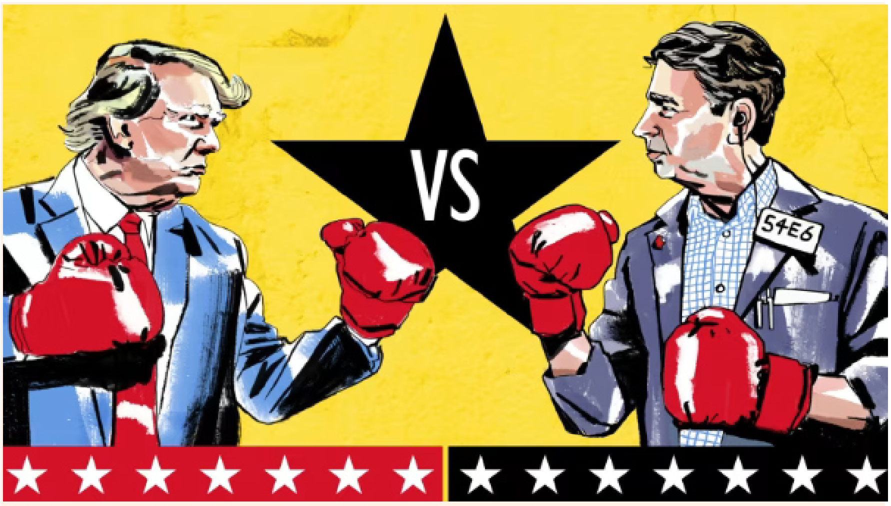
As the US president's rollercoaster tariff policy creates global financial chaos, Tim Harford asks: Is he in a fight he can't win?



Who can predict what he will do next? Back in 1987, one of the world's most celebrated experts opined: "Sad to say, the poor fellow has incurable emotional problems. At times he feels euphoric and can see only the favorable factors . . . At other times, he is depressed and can see nothing but trouble ahead."

It might seem like an armchair diagnosis of the ever-volatile Donald Trump, whose first inauguration speech conjured a vision of "American carnage". At the same time, his second was "confident and optimistic that we are at the start of a thrilling new era of national success".

"[He] has another endearing characteristic," the diagnosis went on. "He doesn't mind being ignored." Not Trump, then. No, the psychotherapist was the world's most celebrated investor, Warren Buffett. Lying on Mr Buffett's couch for psychoanalysis was a hapless gentleman named Mr Market.

Mr Market (a concept first devised by Buffett's mentor, Benjamin Graham) represents a vivid portrait of financial markets as prone to frenzies and panics, periods of irrational exuberance or yawning depression — a stark contrast to the alternative "efficient market hypothesis", in which markets swiftly fold new information into the price of assets.

In recent weeks, President Trump and Mr Market have been locked together in a self-destructive spiral, like two drowning men with their arms around each other's throats. The undignified spectacle would be funny if it weren't so dangerous. And it raises questions: who is panicking about whom? Is Trump's rollercoaster tariff policy as shambolic as it seems, or, as his supporters claim and his opponents fear, is there some brilliant strategy behind it all? Has the market response reflected a cool assessment of the economic consequences, or is it the startle reflex of a financial system jerked awake from a complacent snooze?

The curious thing about financial markets is that they do not respond to what most of us would regard as news.

In 1971, a young economist named Victor Niederhoffer published an intriguing piece of research titled "The Analysis of World Events and Stock Prices". Niederhoffer — who would later manage money for George Soros — wanted to answer a question: Do stock markets care about front-page news?

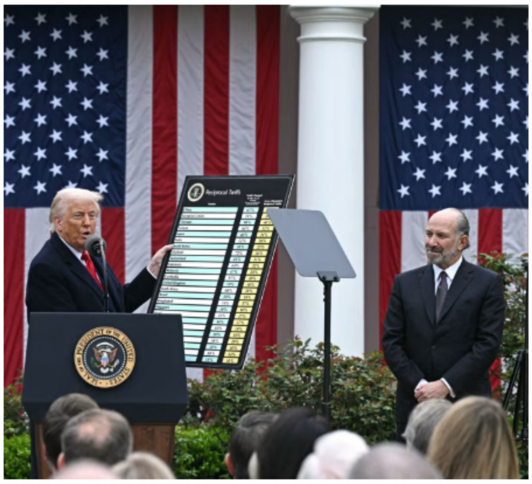
"A pessimistic perspective is that since Trump's new taxes in effect sever trade between the world's two largest economies . . . the stock market reaction wasn't just calm, it was complacent"

Niederhoffer studied the response of the S&P Composite index to news events between 1950 and 1966. As a proxy for a world-shaking story, he used any headline in the New York Times that spanned at least five columns. He found 432 such headlines — about one a fortnight. Did the market notice? Generally, not. An existential scream on the front page of the Times was typically met with a yawn down on Wall Street.

There were a few exceptions. Huge moments such as the Suez crisis, the Cuban missile crisis and the assassination of President John F Kennedy were somewhat more likely to produce a significant market reaction. But in general, Niederhoffer demonstrated that Wall Street operates according to its logic. Either investors had already anticipated most of the headlines, or, more likely, events that seem significant to newspaper editors do not have a substantial impact on the stock market.

To put it another way, for a politician's actions to push global markets violently up or down is extraordinary. (Liz Truss's 2022 "mini" Budget, it is true, was not in Niederhoffer's data set.) To do it deliberately is utterly unprecedented. Then again, Trump is an utterly unprecedented politician.

Reed Smoot (left) and Willis Hawley on the steps of the Capitol in 1929 with their proposed tariff bill . . . © Granger/ Shutterstock



. . . and Donald Trump announcing his 'liberation day' reciprocal tariffs in Washington earlier this month © AFP/Getty Images

The president began the month by announcing the most disruptive increase in tariffs that the US economy had ever seen — in size, the import taxes rivalled the notoriously disastrous Smoot-Hawley tariffs of 1930. Still, they were introduced more abruptly and in a vastly more integrated world trading system.

Trump then suspended some of the tariffs for 90 days. This was widely viewed as the president backing down, but it was more a lurch to the side than a U-turn. Because he dramatically increased the tariff on China, the average tax on US importers did not fall.

"The White House has served up a display of policymaking so brazenly amateurish that it has struck shock and awe into bond markets"

This second market-moving announcement was followed by a third: Chinese smartphones and other consumer electronics would be exempt from that punitive tariff. Shortly after that announcement came a fourth: the consumer-electronics exemption was itself temporary, and the White House was working on yet another tariff plan.

This is certainly not how to behave if the aim is to persuade manufacturers to bring their factories to the US. Any tariffs would have to be far steadier, more predictable and more credible than that. A cynic might note that it is precisely how to behave if you want to allow your cronies to trade on inside information (something the White House has denied). But the most obvious interpretation is probably the right one: Trump's tariff policy keeps changing because Trump cannot make up his mind.

So, how should we read the market reaction to Trump's announcements? The S&P 500, a basic index measuring the performance of large American stocks, fell nearly 5% on April 3 and 6% on April 4. These were big falls, especially on consecutive days.

Yet there have been bigger. During the 2008 financial crisis and the 2020 pandemic, there were several days with larger drops in the S&P 500. On October 19 1987, the S&P 500 fell more than 20 per cent for no readily apparent reason. And of course, there is the Great Crash of 1929: markets fell by more than 10 per cent on both October 28 and 29 of that year, and by nearly 10 per cent a week later.

Scenes at the New York Stock Exchange on October 24 1929, at the start of the Great Crash. . . © Ullstein Bild/Getty Images

. . . and earlier this month, when the S&P 500 fell more than 10 per cent in two days © Getty Images

Trump's tariffs have no precise historical precedent, but the echoes of 1929 and 1930 are loud enough. The bear market that began in 1929 lasted nearly three years. By the end of that long downward grind, the Dow Jones Industrial Average had lost 89 per cent of its value, and the US was in the depths of the Great Depression. If that's the closest forerunner we have, is there a case that the markets have been far too calm?

The problem with interpreting market reaction is that it remains unclear what exactly it should be reacting to. A pessimistic perspective is that, since Trump's new taxes are in effect, they sever trade between the world's two largest economies, the US and China, as well as throwing spanners into the gears of the US-Canada-Mexico trading system. The stock market reaction wasn't just calm, it was complacent. The downward jolt in the S&P 500 after the initial announcement merely undid a few months of recent gains — an investor who had bought the index a year earlier would still have shown a profit. That hardly suggests that Mr Market has fully internalised the risks of a severe downturn.

A more optimistic view is that the market was unperturbed by Trump's tariff vows because investors assumed any tariffs would be modest. When vast tariffs were announced instead, the market reaction was sharp but small; again, investors thought he didn't mean it. And when Trump promptly slashed some tariffs—temporarily, we are told—and then increased others, and then announced exemptions, and then announced that the exemptions were also temporary, stock market investors decided that the problem wasn't the tariffs, because they would come and go. The problem was the clown show in the White House.

Bond market investors have reached the same conclusion, but they are far gloomier about what that implies. As volatility rose, investors sold US Treasuries and the dollar. This is not normal. Typically, investors respond to chaos by buying dollars and US Treasuries, even if the US itself is the source of the chaos.

This month, we discovered the exception to that rule. Partly this is because things are already a little precarious. In its periodic fights over the US debt ceiling, Congress has displayed an unnerving willingness to borrow vast piles of money and then flirt with not paying it back. But also, surely, it is because with its tariffs on an island inhabited only by penguins, its pseudo-mathematical justification of the word "reciprocal" and its habit of swerving every few days, the White House has served up a display of policymaking so brazenly amateurish that it has struck shock and awe into bond markets.

The sheer uncertainty is also disastrous for the real economy. Corporate decision-makers would like to get on with making decisions. Should they redesign their supply chains? Relocate production to avoid tariffs? Shut down some operations and sack their staff? Start building and hiring elsewhere? For now, the only reasonable response is to hold on tight to the giant mahogany desk in front of them and pray the world stops spinning.

This is the paradox, then: stock market investors are cautiously optimistic because they expect Trump to change his mind; physical investments are on hold because people are waiting to see what will happen after Trump changes his mind; and bond market investors are uneasy because Trump keeps changing his mind. But it is the bond market investors on whom the world's financial system rests.

Trump has been in office for just three months. That leaves 45 months to go. What should retail investors do now?

The range of outcomes is not easy to discern. The US has lost credibility — as an ally, as a place to invest, as a trading partner and as a country where the rule of law is paramount. If the world suffers no more than a recession as a result, we will have escaped lightly.

Yet a sunnier scenario is not hard to imagine: it is conceivable that Trump has finally gone too far, been so transparently incompetent, and done so much damage to the people who supported him that the rest of the US political system will start to constrain his actions.

If you care to bet on either of those outcomes, you're braver than I am. But in a world where every old certainty seems to have been upended, it may be that a familiar investment strategy still makes sense: buy the boring stuff, diversify your investments and above all, do not pay too much attention to the mood swings either of President Trump or of Mr Market.

An extraordinary study by economists Brad Barber and Terrance Odean, published a quarter of a century ago, examined the performance of more than 1,600 investors who embraced the internet revolution in the 1990s, transitioning from telephone-based trading to early web-based platforms. Barber and Odean compared those investors to similar ones who stuck with the familiar phone-based technology.

"Those who switch from phone-based trading to online trading experience unusually strong performance before the switch," explained Barber and Odean, "accelerate their trading after going online, trade more speculatively after going online, and experience subpar performance."

"Investors who wish to prosper would do well to avoid social media and the frenetic stock-ticker world of business television"

What happened? The most plausible explanation is the "illusion of knowledge" — a well-established psychological phenomenon that people who are given more information don't become much better at forecasting, but they do become much more confident. The new online platform gave investors false confidence and tempted them to trade too often, making those speculative trades cheaper and easier. Paradoxically, if they had endured the apparent disadvantage of sticking to a slower, more expensive, less information-rich method of trading, they would have done substantially better as a result.

That was the 1990s; this is 2025. But the principle still holds. Trump is a president who has mastered the art of capturing attention in a fast-twitch age. Still, investors who wish to prosper would do well to avoid social media and the frenetic stock-ticker world of business television. The FT Weekend, paired with a good novel, may be the perfect information diet for the Trump era.

One prediction can be made with some confidence: whether or not these chaotic weeks leave a lasting impression on our finances, they are likely to leave a lasting impression on our psyches. It is not often that a stock market move makes much impression on the ordinary citizen, and, as Niederhoffer showed back in 1971, it is even more unusual for lurches in the market to be so clearly connected to White House decisions.

People may subconsciously carry this moment with them for a long time. In 2009, the economists Ulrike Malmendier and Stefan Nagel published a research paper titled "Depression Babies". Malmendier and Nagel studied several decades of financial survey data and concluded that each cohort's attitude to investment was shaped by their lifetime experiences of investment returns. For example, young investors in the late 1990s were keen stock market investors because they had been aware of the market, and it had been booming ever since. Older investors, on the other hand, had seen more challenging times and were more cautious.

Malmendier and Nagel followed up with similar research showing how lifetime experiences of inflation shaped expectations of future inflation — even among central bankers, who would surely think of themselves as driven by complex data rather than hard knocks.

So what will the lesson be this time? Possibly that when, seven years ago, Trump tweeted that "trade wars are good, and easy to win", he was mistaken. Perhaps you shouldn't put all your eggs in one basket, even if the basket is the S&P 500 and it's been on a wonderful run. Possibly that following every twist of the news will not give you an investment edge, even if it does give you an ulcer.

Whatever the judgment of history, something is compelling about the frantic struggle between President Trump and Mr Market. Trump has demonstrated his remarkable capacity to dominate the headlines and an equally impressive capacity to make things happen, even if they are bad things. Trump can make the market go down; he can make it bounce back up again.

But Mr Market does not bow and scrape to Trump with the deference of Republican politicians or craven business leaders. That's just not how he rolls. He has no interest in appeasing the president. As Buffett explained back in 1987, Mr Market is sometimes euphoric, and he is occasionally depressed. But Mr Market has one great virtue: he will always speak truth to power.

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CORPORATE FOCUS

Nigerian Breweries PLC

Market Capitalization	₦1.123trn
Industry	Food/Beverages & Tobacco
Market Classification	Main Board
Sector	Consumer Goods
Sub Sector	Beverages – Brewers/Distillers
Nature of Business	Brewing and Marketing of Lager Beer, Stout and Non-Alcoholic

Company Profile: Nigerian Breweries Plc

Nigerian Breweries Plc is the pioneer and largest brewing company in Nigeria, incorporated in 1946 as Nigerian Brewery Limited. The company made history in June 1949 with the launch of its flagship product, Star Lager Beer, from its Lagos Brewery—the first in Nigeria.

In its 75 years of existence, Nigerian Breweries has expanded steadily. Its second brewery in Aba was commissioned in 1957, followed by one in Kaduna in 1963 and another in Ibadan in 1982. With the enactment of the Companies and Allied Matters Act in 1990, the company adopted its current name, Nigerian Breweries Plc, to reflect its public limited liability status.

The company's growth continued with strategic acquisitions and expansions:

- In 1993, the fifth brewery was acquired in Enugu, and a state-of-the-art facility, Ama Brewery, was commissioned in 2003. The older Enugu plant was decommissioned in 2004.
- An ultra-modern malting plant was added in Aba in 2008.
- In 2011, NB Plc acquired a majority stake in Sona Systems, which had breweries in Ota and Kaduna, as well as Life Breweries in Onitsha. Both companies merged in 2012. The acquisition included a second malting plant in Kaduna.
- A landmark merger with Consolidated Breweries Plc in 2014 added three more breweries in Imagon, Awo-Omamma, and Makurdi. Onitsha and Makurdi were later converted into distribution centres.
- Today, Nigerian Breweries operates nine breweries and two malting plants in Nigeria, with a vast network of sales offices and distribution centres nationwide.

Product Portfolio

Nigerian Breweries boasts a rich and diverse brand portfolio, catering to both alcoholic and non-alcoholic beverage consumers. Notable brands include:

- Lager Beers: Star (1949), Gulder (1970), Heineken (relaunched 1998), Goldberg, Life Continental, "33" Export, More, Tiger (2018)
- Stouts & Dark Ales: Legend Stout (1992), Turbo King, Williams
- Malt Drinks: Maltina (1976), Amstel Malta (1994), Hi-Malt, Amstel Malta Ultra
- Soft Drinks & Energy: Fayrouz (2006), Climax Energy Drink (2010), ZAGG
- Ready-to-Drink (RtD): Ace (2015)
- Flavored Variants & Extensions: Star Lite, Star Radler, Desperados

The company also has an export footprint dating back to 1986, supplying markets in the UK, Netherlands, USA, Canada, parts of Africa, the Middle East, and Asia.

Economic Impact and Ancillary Development

Nigerian Breweries plays a key role in Nigeria's economic ecosystem. It supports and stimulates local industries by fostering ancillary businesses in packaging (such as bottles, crates, and labels), logistics, marketing, and event services. The company is also a major contributor to employment and industrial growth in Nigeria.

Stock Market & Recognition

Nigerian Breweries was listed on the Nigerian Stock Exchange (NGX) in 1973 and remains one of the country's most valuable companies, with a market capitalisation of over ₦1.1 trillion.

It has earned numerous accolades, including:

- NSE President's Merit Award – Brewery Sector
- Quoted Company of the Year
- Most Compliant Listed Company
- ICSAN Award for Excellence in Corporate Governance (2019)
- Institute of Directors Corporate Governance Award (2019)

Corporate Governance & CSR

Nigerian Breweries is widely recognized for excellence in corporate governance, product quality, sustainability, innovation, and social responsibility. Its CSR efforts span education, health, environmental protection, and community empowerment, notably through the Nigerian Breweries/Felix Ohiwerei Education Trust Fund.

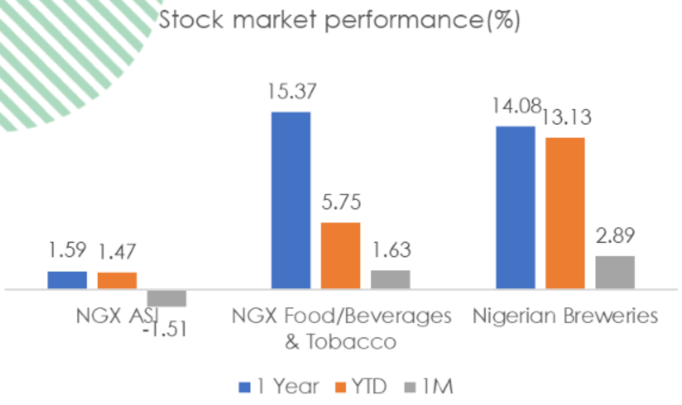
The graph below depicts the stock price of Nigerian Breweries from January 2024 to April 2025, revealing several key trends and market dynamics that characterized investor sentiment and company performance over the 15 months. The average share price during this timeframe is ₦29.484 per share, which provides a valuable benchmark for assessing periods of overperformance or underperformance.

Source: NGX, FDC Think Tank

At the beginning of January 2024, the stock was trading above ₦35 and reached a peak of near ₦40 in the early weeks. However, this initial strength was short-lived, as the share price entered a period of steady decline through the first quarter of 2024. By late April and early May 2024, the stock had dropped below ₦25, reaching its lowest point of the entire period, due to macroeconomic pressures or weak earnings reports.

A gradual recovery began around mid-May 2024, with the price climbing back toward ₦30 by mid-July. Despite some volatility in August and September, when the price briefly dropped again, Nigerian Breweries' stock demonstrated a relatively stable upward trend from late Q3 2024 into early 2025. Particularly from December 2024 onward, the share price remained above the ₦29.484 average, signaling improved investor confidence and possibly better financial results or sectoral tailwinds.

In the final segment of the timeline, from January to April 2025, the stock maintained a range mostly above ₦30, with some spikes toward ₦35 in mid-February and again in April. This suggests resilience in market valuation and potential optimism surrounding the company's future outlook. Overall, the graph reflects a recovery narrative: a volatile first half of 2024 followed by stabilization and gradual appreciation in the latter months, culminating in strong positioning as of April 2025.



Source: NGX, FDC Think Tank

Nigerian Breweries Outpaces Market in Early 2025 Surge

The comparative stock market performance data for Nigerian Breweries, the NGX All Share Index (ASI), and the NGX Food/Beverages & Tobacco sector over the 1-year, Year-to-Date (YTD), and 1-month (1M) periods highlight Nigerian Breweries' strong recent momentum and relative outperformance.

Over the 1 year, Nigerian Breweries posted a 14.08% return, significantly outperforming the broad NGX ASI, which rose by only 1.59%. This suggests that the company outpaced the general market, likely driven by company-specific factors such as operational improvements, strategic restructuring, or more substantial earnings. However, it slightly underperformed the broader Food/Beverages & Tobacco sector, which returned 15.37%, indicating that while Nigerian Breweries did well, it wasn't the top-performing stock in its industry.

The YTD numbers reveal a different picture: Nigerian Breweries leads both benchmarks with a return of 13.13%, compared to 5.75% for the sector and just 1.47% for the NGX ASI. This sharp YTD rally suggests renewed investor confidence in the company's prospects and possibly a turnaround or sustained positive momentum in Q1 2025. It also indicates that Nigerian Breweries is not only outperforming its peers, but is doing so at a time when the broader market is relatively flat.

In the short-term 1-month window, Nigerian Breweries continues to outperform with a 2.89% return, exceeding both the 1.63% rise in the Food and Beverages sector and a 1.51% decline in the NGX ASI. This shows that the company's stock has been resilient and gaining investor traction even in a cooling overall market.

Nigerian Breweries has outperformed the NGX ASI across all time frames, signaling that it is a strong play relative to the broader Nigerian equity market. Its performance also rivals that of its sector, particularly in the YTD and 1-month periods, where it has outperformed the average sector return. This strong showing could reflect positive sentiment about the company's fundamentals, investor expectations for improved financials, or its positioning as a defensive stock in uncertain market conditions.

Market Cap (N'trn)	1.123	P/E Ratio	22.91x
Share Outstanding (bn)	30.98	Return on assets (%), Q1'25	3.9
Revenue (N'bn), Q1'25	383.63	Return on Equity (%), Q1'25	8.8
Net income (N'bn), Q1'25	44.55	Price/Book	5.85x
EPS, Q1'25	143	EBITDA (N'bn)	85.2
Dividend Yield (%)	-	EV/EBITDA	9.3x
Gross profit margin (%), Q1'25	43.42	Beta	-0.15
Book value/share	16.11	Earnings yield (%), Q1'25	4.36

Source: Nigerian Breweries Financial report, FDC Think Tank

Nigerian Breweries Posts Strong Q1 Results Amid Investor Optimism

The key statistics for Nigerian Breweries as of Q1 2025 provide insight into the company's financial health, operational performance, and market valuation, offering a comprehensive picture for investors and analysts.

Nigerian Breweries boasts a market capitalization of ₦1.12 trillion, positioning it as one of the prominent players on the Nigerian Exchange. With 30.98 billion shares outstanding, the firm has broad shareholder participation and a strong equity base. Its earnings per share (EPS) for Q1 2025 stands at ₦1.43, which is notably robust and supports the company's substantial net income of ₦44.55 billion for the quarter. These earnings are derived from a total revenue of ₦383.63 billion, reflecting the company's scale and capacity in Nigeria's consumer goods sector.

In terms of profitability, the company posted a gross profit margin of 43.42%, underscoring efficient cost management and healthy pricing power. Its return on assets (ROA) of 3.9% and return on equity (ROE) of 8.8% show reasonable effectiveness in utilizing assets and equity to generate profits. However, compared to global peers, these returns are moderate, suggesting room for improvement in operational leverage.

The price-to-earnings (P/E) ratio of 22.91x suggests that the stock is trading at a premium relative to its earnings, possibly due to investor optimism or expectations of future growth. Similarly, the price-to-book (P/B) ratio of 5.85x indicates that the stock is priced significantly above its book value, which could reflect substantial brand equity, market leadership, or confidence in future earnings. In contrast, the earnings yield of 4.36% is on the lower side, which may make the stock less attractive compared to fixed income alternatives unless investors expect higher capital gains.

The EV/EBITDA ratio of 9.3x suggests a fair valuation relative to the company's operating cash flow and is within a typical range for consumer staples in emerging markets. With EBITDA at ₦85.2 billion, the company demonstrates solid operating performance before accounting for interest, taxes, depreciation, and amortization.

Notably, Nigerian Breweries has no recorded dividend yield for the period, indicating that it may not have declared dividends in the first quarter of 2025. This could be a strategic move to conserve capital for reinvestment, debt servicing, or restructuring efforts. Also, the company has recorded negative returns in the last two years – N106.64bn in 2023 and N143.64bn in 2024. Finally, the company's beta of -0.15 implies very low (and slightly inverse) correlation with the overall market, suggesting that its share price moves somewhat independently from general market trends, potentially due to unique industry factors or defensive characteristics.

Nigerian Breweries appears financially sound, with substantial revenue and profit metrics, healthy margins, and attractive operating efficiency. However, its relatively high valuation multiples and absence of dividends indicate that investors are betting on future growth rather than current income.

Metrics to compare	Nigerian Breweries	Peers	Sector
P/E ratio	22.91x	8.1x	11.5x
PEG Ratio	-1.35	0.04	0.03
Price/Book	2.4x	2.3x	1.5x
Price/LTM sales	1.0x	0.8x	0.9x
Upside (Analyst Target) (%)	-0.8	12.5	20.6

Source: Nigerian Breweries Financial report, FDC Think Tank

Market Leader or Overvalued? A Comparative Look at Nigerian Breweries

The comparative metrics between Nigerian Breweries, its peers (Champion Breweries, International Breweries, Golden Guinea Breweries, and Guinness Nigeria), and the Food/Beverages & Tobacco sector reveal several essential insights into valuation, growth expectations, and market sentiment.

Nigerian Breweries is trading at a significantly higher P/E ratio compared to its peers and the broader sector. This implies that investors are pricing in strong future earnings or a premium for its market leadership, brand strength, or perceived stability. However, such a high multiple may also indicate overvaluation, especially when compared to peers whose average P/E is nearly three times lower.

The negative PEG ratio for Nigerian Breweries suggests that it has negative expected earnings growth, which is concerning given its high valuation. In contrast, peers and the sector show positive—albeit very modest—growth expectations. This divergence signals a potential mismatch between Nigerian Breweries' price and its earnings trajectory, hinting that fundamentals in the short term may not support market optimism.

Nigerian Breweries' P/B ratio is nearly identical to that of its peers, suggesting a comparable valuation based on net asset value. However, both are significantly above the sector average, implying that investors view brewers—especially the more established ones—as possessing intangible value such as brand equity, distribution strength, or long-term profitability.

Nigerian Breweries is priced slightly above its peers and the sector in terms of trailing sales, suggesting moderate overvaluation on a revenue basis. This reflects market confidence in its ability to convert sales into profits more efficiently than its peers, or greater revenue consistency.

Foaming with Growth: Nigerian Breweries Breaks Away from Sector Trend

Metrics to compare	Nigerian Breweries	Peers	Sector
Revenue growth	68.91%	51.3%	4.1%
Revenue CAGR (5Y)	84.9%	26.0%	6.6%
Net Income Forecast CAGR (5Y)	48.4%	6.3%	6.5%

Source: Nigerian Breweries Financial report, FDC Think Tank

The growth metrics reveal that Nigerian Breweries has significantly outpaced its industry peers and the broader sector in terms of revenue and earnings expansion. This positions the company as a leading growth driver in Nigeria's food, beverage, and tobacco within Nigeria's Food, Beverage & Tobacco segment.

Over the most recent period, Nigerian Breweries recorded a remarkable revenue growth rate of 68.91%, significantly outperforming the 51.3% posted by its peers and dramatically outperforming the broader sector's modest 4.1% growth. This signals strong demand for its products, successful pricing strategies, or an expansion of market share. The company's agility in responding to Nigeria's inflationary pressures and shifting consumer preferences may be contributing to this standout performance.

Even more striking is Nigerian Breweries' five-year compound annual growth rate (CAGR) in revenue at 84.9%, compared to 26.0% for peers and 6.6% for the sector. This suggests sustained growth momentum and long-term strategic effectiveness. It reflects a combination of product innovation, robust distribution, and brand loyalty that continues to yield results over multiple business cycles.

Looking ahead, the net income CAGR forecast for Nigerian Breweries over the next five years is projected at 48.4%, again far surpassing the 6.3% expected for peers and 6.5% for the sector. This forward-looking metric signals investor optimism and management confidence in sustained profitability, even as the company navigates cost pressures and evolving market dynamics. It also implies that Nigerian Breweries may be entering a period of operating leverage, where increasing revenues translate into even stronger profit gains.

These figures present Nigerian Breweries as a high-growth leader within the Nigerian consumer goods space. While concerns may exist around valuation (as noted in previous analyses), the company's superior growth profile helps justify its premium pricing. Investors seeking exposure to the sector's strongest growth story may find Nigerian Breweries an attractive prospect, provided they remain aware of the risks associated with sustaining such momentum.

Market Sentiment and Analyst Outlook

Despite its higher valuation, analysts see little to no upside for Nigerian Breweries at current price levels. This contrasts sharply with the double-digit upside for peers and the sector, indicating that other companies are viewed as undervalued or as having greater potential for capital appreciation. Nigerian Breweries appears to be priced to perfection, leaving little room for error or disappointment in future performance.

Overall Assessment

Nigerian Breweries remains a market leader and may offer stability. Still, it is currently a less compelling investment from a value or growth perspective compared to its peers and the sector, which appear to be attractively priced, with better growth-adjusted valuations and higher analyst confidence. Investors may need to weigh its defensive characteristics against the relatively richer valuation and muted return expectations.

BULLS SAY

The bull case is anchored in Nigerian Breweries' strong fundamentals, market dominance, and superior growth trajectory. While the stock trades at a premium, bulls believe the valuation is justified by the company's performance and future earnings potential. For growth-oriented investors with a long-term perspective, Nigerian Breweries is viewed as a high-quality asset in a resilient consumer sector.

- Nigerian Breweries' exceptional revenue and earnings growth are signs of its strong market position and resilience in the face of economic challenges.
- Nigerian Breweries' dominant market position, strong brand loyalty, and wide distribution give it a competitive moat and stability in margins, even in tough economic times.
- Nigerian Breweries' agile pricing and supply chain strategies amid inflation and FX challenges reflect strong management and resilience in volatile conditions.
- Nigerian Breweries' substantial recent gains outperform the market signalling rising investor confidence and bullish technical momentum.
- Nigeria's demographic trends and rising incomes create strong long-term demand for beverages, positioning Nigerian Breweries to capitalize on future growth.
- The absence of a Q1 2025 dividend is a strategic reinvestment choice, favoring long-term growth over short-term payouts.

BEARS SAY

The bear case views Nigerian Breweries as an overvalued stock with limited near-term upside, potential earnings risk, and signs of internal caution. While revenue growth is undeniably strong, the lack of dividends, overvaluation, and macroeconomic pressures lead bears to believe that investors might do better looking elsewhere, especially among cheaper and more undervalued peers.

- Nigerian Breweries' high P/E ratio makes it overvalued and vulnerable to a sharp correction if performance falters.
- Nigerian Breweries' negative PEG ratio is a warning sign of potential earnings volatility that could undermine its high valuation.
- With limited upside to its target price, Nigerian Breweries may have priced in its positives, capping short-term gains compared to sector and peer averages. This suggests that Nigerian Breweries might be nearing a performance ceiling in the short term, which could limit capital appreciation for new investors.
- That while revenue growth is strong, the lack of margin and efficiency details, coupled with rising costs, may expose Nigerian Breweries to margin compression risks.
- The Nigerian alcoholic beverage market is becoming increasingly competitive, with smaller brewers and imports nibbling at market share. Meanwhile, shifts in youth consumption trends and tighter regulation (e.g., taxes or advertising restrictions) could impact volume growth in the medium term.

A PRISM OUTLOOK

- Oil production declined to 1.40 million barrels per day (mbpd) in March, down from 1.47 mbpd in February. We anticipate a further decline to 1.38 mbpd in April, driven by escalating insecurity and civil unrest in the Niger Delta.
- Brent crude is projected to trade within the range of $60–$68 per barrel through April and May, amid persistent global uncertainty and a phased increase in OPEC+ output.
- The Purchasing Managers' Index (PMI) rose to 54.3 points in March, signaling improved business activity. However, we expect a moderation to 52.7 points in April, reflecting growing global uncertainty and a resurgence of inflationary pressures.
- The naira is likely to remain under pressure, fluctuating between ₦1,600 and ₦1,700 per U.S. dollar, as declining oil prices and waning investor confidence continue to constrain foreign exchange inflows.
- Inflation accelerated to 24.23% in March, driven by elevated energy costs and renewed expansion in money supply. We expect inflationary pressures to persist through April and May, underpinned by seasonal factors and continued currency depreciation. However, money supply growth will moderate to 20.3% in April from 24% in March
- Real GDP growth for Q1 2025 is projected at 3.3%, supported by base effects and pre-planting season activity.

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