WHISPERS

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WHEN WE SPEAK, THE WORLD UNDERSTANDS

FDC LIMITED

CONTENTS

The Whispers Overview

01

Nigeria leaps to medium HDI in 2025

For the first time since 1990, Nigeria has moved into the medium human development indicator (HDI) category, with its score rising to 0.560 in the latest UNDP report published on May 6. But beneath the milestone lies a sobering reality—Nigeria ranks 164th out of 193 countries, trailing Rwanda (0.578), Ghana (0.628), and Togo (0.571). According to the World Bank's April report, 130 million Nigerians now live below the income poverty line. This is a stark reminder of the challenges ahead. Unless Nigeria mainstreams the SDGs, the dream of sustainable development will remain elusive.

Fed hits pause again; Nigeria may do the same.

The U.S. Federal Reserve left its benchmark interest rate unchanged at 4.25–4.5% during its May meeting, citing heightened risks of both inflation and unemployment. Chair Jerome Powell pushed back against political pressure to cut rates, stressing that the Fed "can't be preemptive." This signals a cautious, data-dependent stance as Trump's tariff shock ripples through the economy.

Nigeria's central bank may mirror this approach. After ending a 12-month tightening cycle in February, the CBN is expected to hold again on May 20. Why? Inflation risk remains potent.

Oil prices are in a tailspin—down 19.7% year-to-date. After briefly dipping below $60pb, oil prices edged up to $63pb but could slide below $50 in the coming months. Portfolio flows are also drying up, down nearly 70% in just two months. The naira, already down 5% YTD to N1626/$, remains under pressure despite an 8.5% YTD drop in the US dollar.

Cutting rates now would be like opening the floodgates while still patching the dam. Our base case? Another hold.

Trump's climate rollback jolts sustainability agenda

The markets have forced President Trump to pause his reciprocal tariffs, but he isn't backing down from rolling back key federal climate initiatives. By suspending contributions to the Green Climate Fund and delaying clean energy subsidies, the global sustainability agenda now hangs in the balance.

Nigeria—already lagging on Sustainable Development Goal (SDG) benchmarks—faces tighter climate finance and a more uncertain path to adaptation. ESG investors are recalibrating, and the United Nations' Agenda 2030 looks increasingly bleak for Nigeria.

In this edition of *FDC Whispers*, FDC Think Tank unpack these macro tremors—from oil markets to currency moves, and the policy choices that now hang in the balance.

Mainstreaming the Sustainable Development Goals (SDGs) in Nigeria

02

"The Sustainable Development Goals are a call to action for all countries, rich and poor, to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs." - World Bank

At the 2013 G20 Summit in Saint Petersburg, former UN Secretary-General Ban Ki-moon framed sustainable development as a pathway to shared prosperity, environmental stewardship, and good governance. That vision shaped the Sustainable Development Goals (SDGs), adopted in 2015 by all 193 UN member states. The SDGs succeeded the Millennium Development Goals (2000–2015), offering a more comprehensive framework to eradicate poverty, safeguard the planet, and promote inclusive growth by 2030.

The SDGs have since become the global benchmark for development planning. Countries have integrated them into policy blueprints, with tangible progress in areas such as access to education, gender equity, and poverty reduction. Yet, results are uneven, and timelines are getting tighter.

For Nigeria, embedding the SDGs into national strategies is not optional—it is essential. The country faces steep social and environmental challenges, and the goals offer a roadmap to sustainable, inclusive growth. Without targeted implementation, Nigeria risks falling further behind in the global race to 2030. The clock is ticking.

Need to Mainstream SDGs into National Policies and Strategies

Nearly a decade after adopting the Sustainable Development Goals (SDGs), Nigeria's progress remains dismal. Ranked 146th out of 166 countries on the global SDG index, it trails both regional peers and neighbours, well behind South Africa (110th), Egypt (81st), and even Ghana (122nd). The data paints a sobering picture: industrial value-added has collapsed from 35.4% of GDP in 1990 to just 18.7% in 2023; the number of Nigerians living below the income poverty line ($3.65 per day) has surged to 130 million. This means that one in five individuals living in poverty worldwide resides in Nigeria.

Food insecurity is deepening, with 160 million Nigerians now moderately or severely affected. Maternal mortality stands at 1,047 per 100,000 live births—nearly 15 times the SDG target of 70 per 100, 000 live births. In the same vein, under-five child mortality is 107 per 1,000 births, almost nine times the benchmark of 12 per 1,000 births. Undernourishment affects 18% of the population, up from 10.5% in 2015. The SDG dashboard confirms what the numbers already suggest: Nigeria is not on track.

Nigeria’s SDG achievement dashboard - 2025

Source: World Bank (https://dashboards.sdgindex.org/profiles/nigeria)

Mainstreaming the SDGs into Nigeria’s national development strategy is imperative. With rising poverty, deepening inequality, and accelerating health crisis, aligning policy with the SDGs offers a coherent framework to navigate complex development trade-offs. It enhances policy coordination, strengthens institutional focus, and ensures that economic growth translates into shared prosperity. Moreover, visible alignment attracts global financing, technical partnerships, and investor confidence—critical levers for implementation. Failure to act risks entrenching policy fragmentation, fiscal inefficiency, and global marginalisation. The SDGs are not just a global agenda; they are a national necessity. The cost of inaction will be far steeper.

Reasons for Poor Performance on SDGs in Nigeria:

Nigeria's subdued progress towards the SDGs reflects deep-rooted structural and institutional deficiencies. At the heart of the problem is the absence of a coherent, long-term development strategy that prioritises inclusive growth. Economic growth has been primarily quantitative, driven by oil revenues, with minimal impact on productivity or household incomes. Household consumption as a share of GDP has declined from 74% of GDP in 2015 to 66% in 2023.

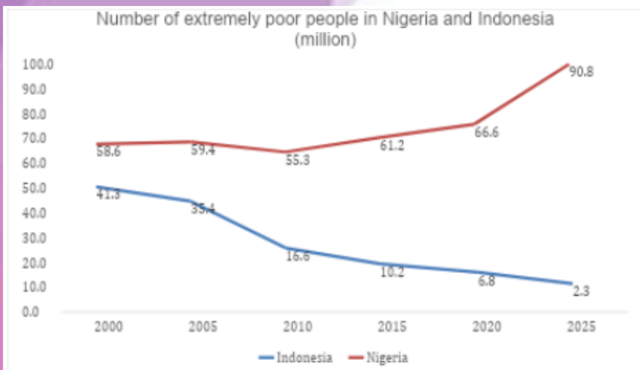
The social protection architecture remains weak. Successive administrations have rolled out fragmented programmes, such as cash transfers, that are often ad hoc, poorly targeted, and vulnerable to corruption. These schemes, lacking scale and consistency, have failed to create durable pathways out of poverty.

Spending inefficiencies further undermine progress. Public expenditure on health, education, and basic infrastructure remains grossly low, fuelling poor human development outcomes. Roughly 20 million Nigerian children stay out of school, while maternal and child mortality rates are among the highest globally. Over 140 million Nigerians now live in multidimensional poverty.

Nigeria's poor SDG performance is rooted in systemic issues that require comprehensive reforms, including strengthening institutional capacity, enhancing governance, and fostering a political commitment to sustainable development.

How to Mainstream SDGs in Nigeria – lessons from Indonesia

Focusing on poverty reduction, Indonesia's extreme poverty rate dropped significantly to 0.83% (2.3 million people) in 2025, down from 20% (41.3 million people) in 2000. Two key programs have been instrumental in this achievement: Program Keluarga Harapan (PKH) and Kredit Usaha Rakyat (KUR).



World Bank (2025). https://ourworldindata.org/sdgs/no-poverty **Note:** This refers to individuals living on less than $2.15 per day, classified as extremely poor.

While Nigeria has experienced an uptick in extreme poverty since 2010, Indonesia has seen a sustained decline in its extreme poverty rate since 2000.

Indonesia's Program Keluarga Harapan (PKH) offers a valuable blueprint for Nigeria. The scheme delivers conditional cash transfers to the poorest households, linking payments to outcomes such as school attendance and routine health visits. While Nigeria's National Social Investment Program (NSIP) echoes this approach, it has been hampered by weak targeting, limited monitoring, and governance issues. To increase effectiveness, Nigeria must improve beneficiary identification, track impact in real time, and better integrate cash transfers with education and healthcare systems to strengthen human capital.

The Kredit Usaha Rakyat (KUR) scheme provides a second lesson. Backed by government guarantees, KUR offers small loans at below-market interest rates to micro-entrepreneurs, with a strong focus on rural areas. The scheme has succeeded by reducing entry barriers, limiting collateral requirements, and actively supporting borrowers through business training and follow-up. By contrast, Nigerian credit schemes are often urban-biased, poorly targeted, and skewed toward politically connected elites.

Replicating KUR's success will require Nigeria to decentralize credit delivery, simplify access, and protect commercial lenders through risk-sharing mechanisms. Embedding credit within broader rural enterprise development strategies can help shift the economy from subsistence to productivity, with multiplier effects on job creation, income, and SDG outcomes related to poverty and inequality.

Overall, mainstreaming the SDGs in Nigeria is vital for addressing development challenges and accelerating progress by 2030. Integrating the goals into national policies ensures alignment with sustainability, inclusivity, and resilience. This requires institutional capacity building, diversified financing, stronger data systems, and inclusive stakeholder engagement. A coordinated national effort can deliver a lasting impact.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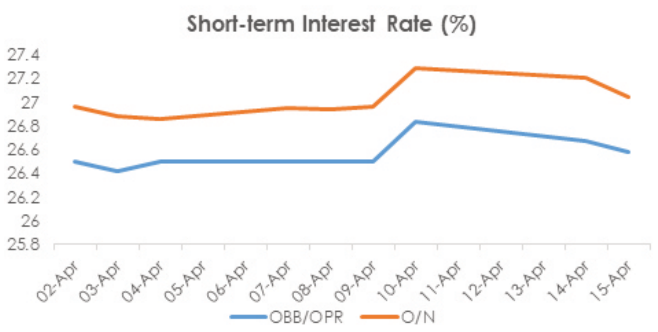
MACRO ECONOMIC INDICATORS

MARCH 17TH – 28TH

MONEY MARKET

The bank's average opening position was positive in the first half of April at N66.98bn long, up 548.72% from N10.33bn long in the first half of March. There were no OMO sales, but one OMO repayment of N65.19 billion was recorded during the period. Short-term interbank rates (OPR, O/N) averaged 26.78%p.a. in the first half of April, down 302bps from 29.80%p.a. in the first half of March.

One primary market auction was conducted in the first half of April, which stood at N424.58bn. This is 72.19% lower than the sum of N1.51trn in the previous primary market auction in March. On the other hand, three primary market repayments were made in the first half of April, which amounted to N28.38bn. Primary market rates increased at all tenors. Similarly, at the secondary market, yields increased at all the tenors in the period under review.



Source: FDC Think Tank

Tenor	Primary market (Mar 12th 2025) (%)	Primary market (Apr 9th 2025) (%)	Secondary market (Mar 15th 2025) (%)	Secondary market (Apr 15th 2025) (%)
91-day	17.00	18.50 ▲	16.50	18.25 ▲
182-day	17.75	19.50 ▲	17.06	18.51 ▲
364-day	18.39	19.63 ▲	18.25	19.13 ▲

Source: FMDQ, FDC Think Tank

Outlook and Implication

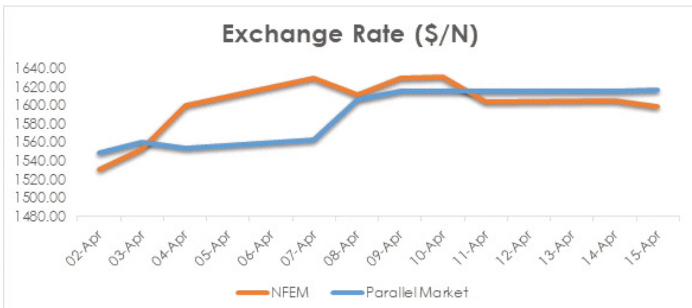
Interbank rates are expected to rise as March headline inflation climbs to 24.23%. With money supply growth surging to 24%, reaching ₦114.12 trillion, the CBN may tighten liquidity, increasing borrowing costs to curb inflation.

FOREX MARKET

In 2023, Nigeria kicked off sweeping FX reforms—liberalising the market and scrapping multiple exchange rates. The naira was devalued by nearly 70% between 2023 and 2024. A new electronic trading platform (BMATCH) was introduced to improve price discovery and transparency. With a more credible monetary policy and a managed float regime, FX supply has improved and speculative pressure on the naira has eased—at least for now.

EXCHANGE RATE

At the Nigerian foreign exchange market (NFEM) window, the naira closed at N1598.95/$ on April 15, marking a depreciation of 4.23% against the US dollar from N1,531.25/$ on April 2. Similarly, in the parallel market, the naira lost against the dollar by 4.27%, closing at N1,617/$ from 1,548/$ on April 2. The depreciation is driven by strong forex demand amid limited supply, further worsened by ongoing tariff tensions and reduced oil revenue, which intensified pressure on the currency.



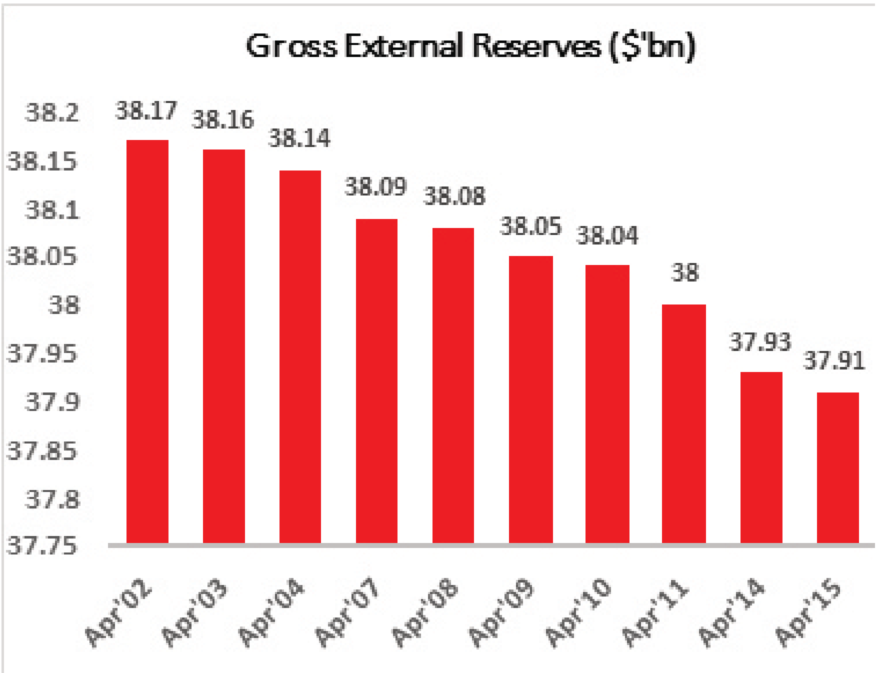
Source: FDC Think Tank

Outlook & Implication

The Naira is expected to depreciate further in the near term due to strong U.S. dollar demand, and reduced oil earnings amid global market uncertainties.

EXTERNAL RESERVES

The country's external reserves declined by 0.68%, reaching $37.91bn on April 15, down from $38.17bn on April 2. The reduction was driven by servicing of foreign debt and reduction in foreign exchange inflows.



Outlook & Implication

We expect external reserves to decline further, influenced by falling global oil prices due to OPEC+ plans to increase output by 411,000 barrels per day in May. Additionally, If the US-China tariff war continues, it may push oil prices lower, which could lower Nigeria's export earnings.

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COMMODITY EXPORTS

Nigeria is an export-dependent economy. It derives over 80%-90% of its export revenue from crude petroleum and LNG.

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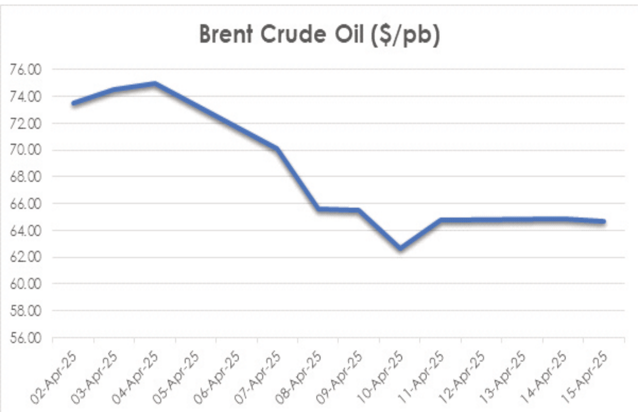
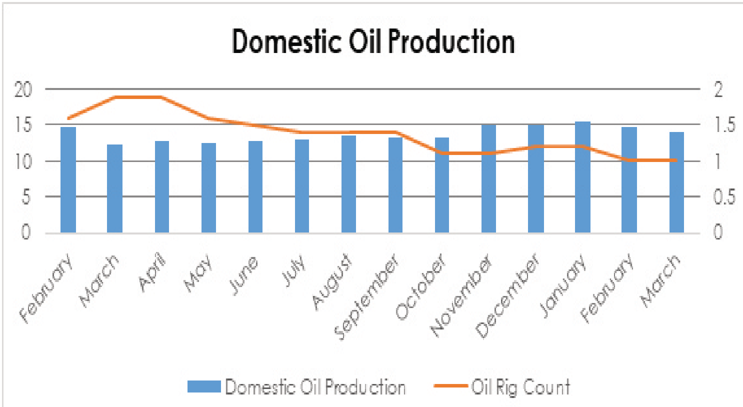
OIL PRICES

In the first half of April, Brent prices dropped by 12%, falling from $73.49pb on April 2 to $64.67pb on April 15. The decline was largely attributed to escalating trade tensions between the US and China over tariff increases. Adding to the downward pressure, OPEC+ announced plans to increase supply starting in May.

OIL PRODUCTION

In March, domestic oil production declined by 4.76% to 1.40mbpd from 1.47mbpd in February. Additionally, the number of oil rigs in the country remained unchanged at 10 units. OPEC's average production in March was 26.78mibpd, a decrease of about 78,000 barrels per day compared to 26.85mbpd on February 2025. Specifically, output increased in Venezuela and Saudi Arabia, while it decreased in Nigeria and Iraq.





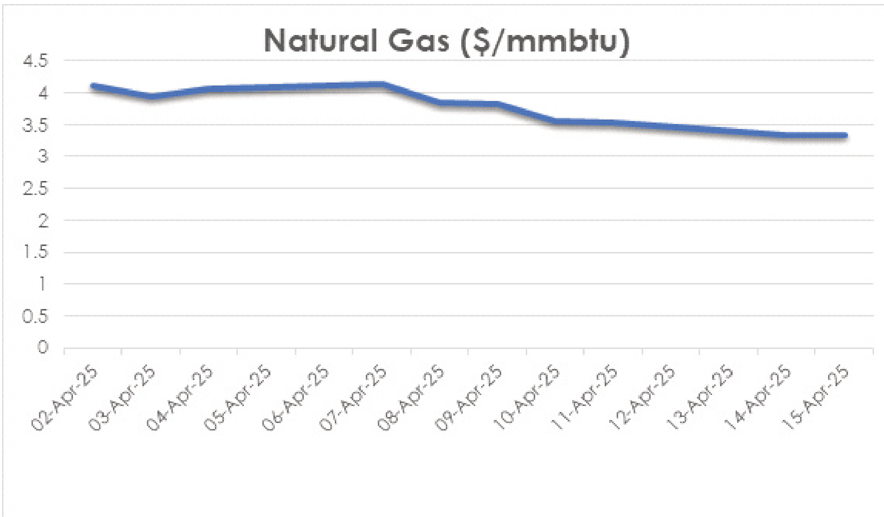
Source: Bloomberg, FDC Think Tank

Outlook &Impact

Oil prices are expected to decline in the near term, driven by OPEC+ decision to boost output by 411,000 barrels per day in June. This price downturn will likely reduce Nigeria's oil revenue and widen its fiscal deficit. However, it could lead to a drop in petrol pump prices within the country.

NATURAL GAS

Natural gas prices plunged by 19.17%, dropping from $4.12/MMBtu on April 2 to $3.33/MMBtu on April 15. The decrease was driven by reduced demand following the end of the heating season in Europe and North America. Price was further pressured by escalating tensions between the world's two largest economies.



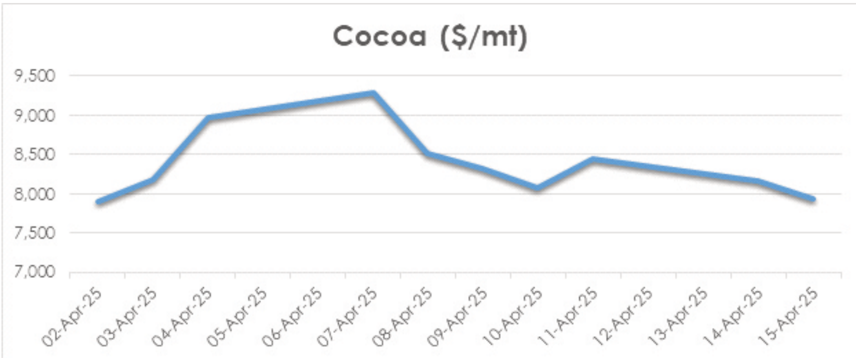
Source: Bloomberg, FDC Think Tank

Outlook & Impact

Natural gas prices are expected to trend bearish in the near term as warmer-than-usual temperatures expected through early May are set to reduce heating demand and increase storage levels. A lower gas price will reduce Nigeria's export earnings and could weaken the naira.

COCOA

Cocoa prices rose by 0.30% to $7,926.00/mt on April 15 from $7,902.00/mt on April 15, as Ivory Coast threatens more expensive cocoa in response to US tariffs. Additionally, prices were further bearish due to lower cocoa production from Ivory Coast.



Source: Bloomberg, FDC Think Tank

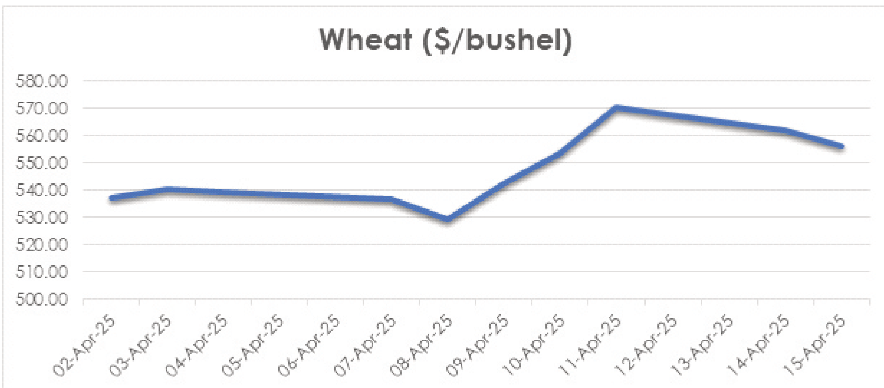
Outlook & Impact

Cocoa prices are expected to trend downwards, driven by subdued demand amid ongoing tariff tensions in the U.S. This bearish trend may reduce Nigeria's non-oil export earnings and lead to higher costs for chocolates and cocoa based beverages.

COMMODITY IMPORTS

WHEAT

Wheat prices climbed by 3.54% in the first half of April, climbing from $537.00 per bushel on April 2 to $556.00 on April 15. The increase was fueled by a 5.7% hike in Russian wheat export duties, alongside unfavorable weather conditions in both Russia and India, which further supported prices.



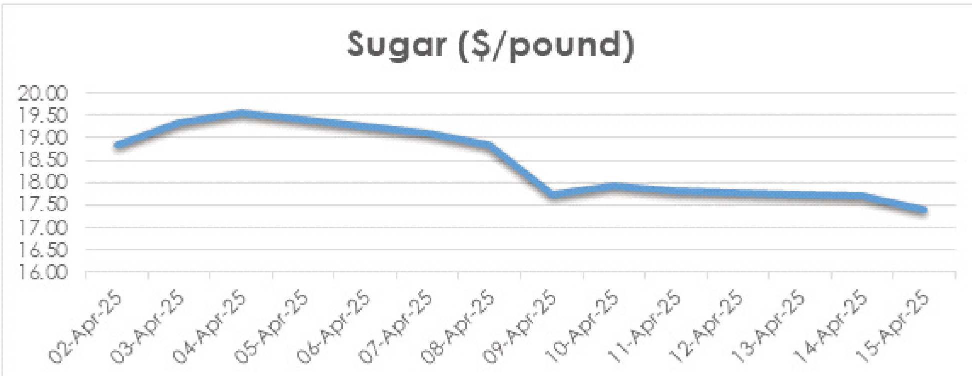
Source: Bloomberg, FDC Think Tank

Outlook & Impact-Grains

Grain prices are expected to decline in the near term due to improved weather in major growing areas and increase in U.S. plantings, which is the largest since 2016. A drop in price of grain will reduce cost of corn and wheat products such as flour, cornflakes, and bread, easing the cost-of-living.

SUGAR

The price of sugar slipped by 7.69% from $18.86/pound on April 2 to $17.41/pound on April 15. The decline was driven by concerns over reduced demand and rising tariffs from the global trade war and signs of lower production in India.



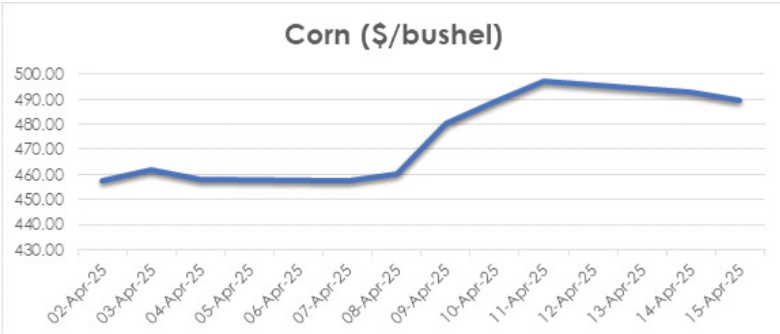
Source: Bloomberg, FDC Think Tank

Outlook & Impact

Sugar prices are expected to remain bearish driven by expectations of improved sugar production in Brazil, India, ad Thailand. Lower sugar prices will reduce production costs for food and beverages firms, and confectionaries and could ease food inflation.

CORN

Corn prices jumped 7.05% from $457.25/bushel on April 2 to $489.50/bushel on April 15. This is driven by robust demand, particularly for exports and supported by U.S. supply cuts.



Source: Bloomberg, FDC Think Tank

Terms of Trade

In Q1 2025, Nigeria's terms of trade are expected to improve, continuing the upward trend seen in 2024. In Q4 2024, the terms of trade rose by 20.6%, supported by an 8.57% decline in imports to ₦16.59 trillion and a 2.55% increase in exports to ₦20.01 trillion, resulting in a trade surplus of ₦3.4 trillion. However, declining oil production—down 4.76% in March to 1.4mbpd, below OPEC's 1.5mbpd quota—alongside falling cocoa prices below $9,000/mt and oil below $70pb, could weaken the trade balance. Additionally, escalating U.S. tariffs may further strain Nigeria's external trade in the upcoming quarter.

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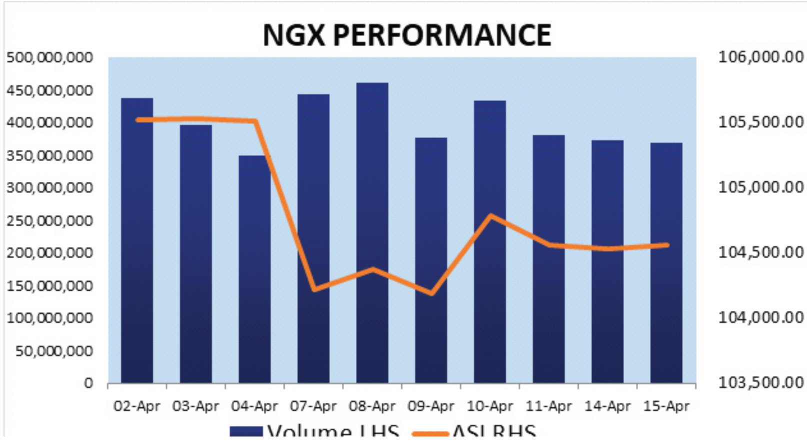
STOCK MARKET REVIEW

APRIL 2ND – 15TH

The Nigerian Stock Exchange closed negatively in the first half of April. It lost 0.91% to close at 104,560.02 points on April 15, down from 105,515.99 points on April 2. Similarly, the market capitalization fell by 0.71% to N65.70trn on April 15, relative to its close of N66.17trn on April 15. The market year-to-date (YTD) return was 1.59% as of the first half of April. The market breadth was positive at 0.37x, as 23 stocks gained, 61 remained unchanged, and 63 lost. The NGX's performance was impacted by global and domestic challenges, including Donald Trump's tariff announcement, which caused sell-offs and spooked investors.



Source: NGX, FDC Think Tank

The market activity level was negative in the review period. The average volume traded decreased by 20.55% to 405.12mn units from 509.87mn units. Similarly, the average value of trades declined by 6.86% to N10.32bn from N11.08bn in the first half of April.

SECTOR PERFORMANCE

Industrial	FMCG	Banking	Oil &Gas	Insurance
-0.27%	-0.71%	-4.11%	-1.37%	-6.24%

TOP 5 GAINERS

VDF Group Plc, an investment company providing financial solutions, led the gainers' list with a 84.97% increase in its share price. This was followed by Abbey mortgage bank plc (56.66%), Union Dicon Salt Plc (50.00%), Livestock feed Plc (21.81%) and Secure electronics technology Plc (16.00%).

TOP 5 LOSERS

The laggards were led by Lasaco Assurance Plc with -23.08%. This was followed by RT Briscoe Plc (-20.42%), Royal Exchange Plc (-19.80%), May & Baker Plc (-18.60%) and AXA Mansard Insurance Plc (-16.77%).

TOP 5 GAINERS				
Company	Apr-03 (N)	Apr-15 (N)	Absolute Change	Change (%)
VFDGROUP	51.9	96.00	44.10	84.97%
ABBEYBDS	4.73	7.41	2.68	56.66%
UNIONDICON [DWL]	5.3	7.95	2.65	50.00%
LIVESTOCK	7.2	8.77	1.57	21.81%
NSLTECH	0.5	0.58	0.08	16.00%

TOP 5 LOSERS				
Company	Apr-03 (N)	Apr-15 (N)	Absolute Change	Change (%)
LASACO	2.6	2.00	-0.60	-23.08%
RTBRISCOE	2.4	1.91	-0.49	-20.42%
ROYALEX	1.01	0.81	-0.20	-19.80%
MAYBAKER	8.6	7.00	-1.60	-18.60%
MANSARD	9.6	7.99	-1.61	-16.77%

Outlook

The market is anticipated to be bullish, driven by renewed interest in blue-chip stocks and the announcement of stronger earnings performance. However, investors remain cautious ahead of MPC meeting in May 19 and 20.

WHISPERS OUTLOOK

- Oil production averaged 1.47mbpd in Q1'25, below the government's planned 2.06mbpd. In Q2'25, oil production is forecasted to decline further at an average of 1.42mbpd due to current uneasiness in the Niger Delta and global uncertainties.

- Brent is expected to trade between $60 and $65 per barrel in May, as demand shrinks and supply surges, especially from non-OPEC producers.

- PMI increased to 54.3 points in March and is likely to average 53 points in Q2 '25 as output, new orders, employment, and purchasing activity continue to rise faster amid improving demand.

- With increased output, forex demand will likely pick up, keeping the naira pressured and fluctuating between N1,600 and N1,700 to the dollar. Falling oil prices and decreasing investor confidence will also limit foreign exchange (FX) inflows, keeping the currency weak.

- Inflation rose to 24.23% in March, fueled by high energy prices and persistent core inflation. As energy costs ease, month-on-month inflation is projected to slow to between 3.0% and 3.7% in April, with headline inflation stabilizing between 24.4% and 25%. However, exchange rate fluctuations pose a significant risk to inflation in April and May.

- Nigeria's GDP will grow at 3.7%, affected by domestic challenges and the threat of global economic recession

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