WHISPERS

MAY 30, 2025 | VOLUME 15 ISSUE 17

WHEN WE SPEAK, THE WORLD UNDERSTANDS

FDC LIMITED

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The Whispers Overview

Africa's Development Bank Welcomes New Leadership Amid Major Challenges

The African Development Bank (AfDB) enters a pivotal phase as Sidi Ould Tah of Mauritania is elected president, taking office in September. Leadership transitions at the AfDB reflect a careful balancing act between regional consensus and the interests of non-regional members like the US, Japan, France and Germany. The emergence of Sidi Ould Tah, a Mauritanian economist and former president of the Arab Bank for Economic Development in Africa (BADEA), reflects a carefully brokered compromise.

The AfDB plays a crucial role in Africa's development, supporting economic growth, and poverty reduction. It has grown steadily, with capital rising from $22bn in 2000 to $208bn in 2023. However, Africa still faces huge challenges: a massive $100bn infrastructure funding gap, and rising public debt, limiting governments' ability to invest. Also, a recent proposed $555mn cut in US funding poses additional challenges for the AfDB's efforts.

The AfDB's lending capacity remains too small for Africa's needs, and private investment is limited. Under President Tah—who brings three decades of development-finance experience—the Bank must focus on raising more funds, empowering country offices, and attracting private investors to speed up development and make a real impact across the continent.

Nigeria's New Lithium Processing Plants Set for 2025 Launch

Nigeria is set to commission two major lithium processing plants in 2025, backed by Chinese investors. A $600mn facility near the Kaduna-Niger border is launching this quarter, while a $200mn refinery near Abuja is nearing completion. Two more plants in Nasarawa State are expected by Q3 2025. This move aligns with Nigeria's strategy to shift from exporting raw minerals to domestic processing, aiming to industrialize the economy.

By processing lithium locally, Nigeria seeks to add value, boost export earnings, and create jobs amid rising global demand driven by electric vehicles and battery technologies. With rich lithium reserves, Nigeria is emerging as a key player in the global lithium supply chain, aiming to take advantage of the electric vehicle market estimated at $393.39bn in 2025, growing at a CAGR of approximately 25.55% between 2025 and 2034.

The effective implementation of clear regulations, strong investor protection, and the resolution of infrastructure and security challenges will be critical. If managed well, this could attract international manufacturers and drive broader industrial growth, supporting Nigeria's role in the global energy transition.

In this latest edition of Whispers, the FDC Think Tank takes a deep dive into recent economic developments and their impact on your business and corporate strategy.

African Development Bank: Leadership and Contribution to Africa's Development

As a new presidency begins, focus shifts to capital mobilisation and narrowing Africa's development deficit

The African Development Bank (AfDB) enters a pivotal phase following the election of a new president, Sidi Ould Tah of Mauritania, on May 29th. The incoming leader, scheduled to take office in September, will inherit a complex macro-development agenda and will be expected to reassert the Bank's relevance amid rising fiscal stress, geopolitical realignments, and accelerating climate demands.

Founded in 1964 with a mandate to foster sustainable economic growth and reduce poverty, the AfDB has become Africa's most prominent multilateral development finance institution. With 54 regional and 27 non-regional member states, its operational strategy balances sovereign and non-sovereign lending, technical assistance, and policy advice.

Its authorised capital has risen steadily, reaching $208bn in 2023, up from $22bn in 2000. Lending volumes have grown, and the Bank has maintained its AAA rating, thanks to a conservative financial framework and robust shareholder support. The AfDB is also the continent's leading implementing partner for the African Union's Agenda 2063 and the African Continental Free Trade Area (AfCFTA).

As the new president prepares to assume office, the focus will shift to whether the AfDB can adapt its financial toolkit and institutional strategy to meet the continent's shifting priorities—from infrastructure financing and food security to debt sustainability and climate resilience.

Leadership at the AfDB: Quiet diplomacy, stability and subtle power plays

Leadership transitions at the AfDB reflect a careful balancing act between regional consensus and donor influence. While the presidency is reserved for Africans, non-regional shareholders like the US, Japan, and Germany wield substantial voting power and often shape outcomes behind closed doors. Francophone-Anglophone rivalry, regional representation, and institutional credibility usually define the internal race. Candidates with technocratic pedigrees and Western diplomatic appeal gain traction.

The emergence of Sidi Ould Tah, a Mauritanian economist and former president of the Arab Bank for Economic Development in Africa (BADEA), reflected a carefully brokered compromise. Though initially seen as a Francophone continuity candidate, his technocratic pedigree and fiscal track record proved decisive in securing the support of non-African shareholders. His election on May 29, with over 76% of the vote, reflected not only regional backing but also donor-state confidence in his leadership.

Tah brings over three decades of experience in African development finance. At BADEA, he led a decade-long institutional transformation—quadrupling the bank's assets, securing a AAA credit rating, and expanding infrastructure financing across fragile states. His management style—low-key, fiscally orthodox, and geopolitically cautious—contrasts sharply with Adesina's more activist, communications-driven presidency.

While his official term begins in September, Tah will inherit a Bank facing difficult headwinds: a fragmented African debt landscape, tightening global financing conditions, and questions over the Bank's climate adaptation strategy. His ability to consolidate consensus across regional and non-regional actors will determine whether the AfDB retains its influence as Africa's premier development finance institution—or risks being sidelined by newer, more agile players.

Presidents of the African Development Bank (AfDB)

	Name	Nationality	Tenure	Religion	Notable Achievements / Context
1	Mamadou-Lamine N'Diaye	Senegalese	1964 – 1970	Muslim	Founding president; built core systems and African governance ethos.
2	Abdoulaye Fadiga	Ivorian	1970 – 1976	Muslim	Improved internal financial governance; built donor trust.
3	Kwame Donkoh Fordwor	Ghanaian	1976 – 1979	Christian	Expanded development lending and pushed for regional integration.
4	Wila D. Mung'omba	Zambian	1979 – 1980 (Acting)	Christian	Transition figure; stabilised leadership handover.
5	Peter Onu	Nigerian	1980 – 1985	Christian	Scaled infrastructure lending; dealt with rising African debt issues.
6	Babacar Ndiaye	Senegalese	1985 – 1995	Muslim	Led during structural adjustment era; completed first major capital increase.
7	Omar Kabbaj	Moroccan	1995 – 2005	Muslim	Restored AfDB's AAA rating; overhauled financial architecture.
8	Donald Kaberuka	Rwandan	2005 – 2015	Christian	Transformed AfDB post-crisis; launched "High 5s"; championed decentralisation.
9	Akinwumi Adesina	Nigerian	2015 – 2025	Christian	Focus on agriculture, youth jobs, climate finance; faced and overcame governance review.

Source: AfDB, FDC Think Tank

Under Akinwumi Adesina, AfDB sharpened its strategic focus through the "High 5s": Light Up and Power Africa, Feed Africa, Industrialize Africa, Integrate Africa, and Improve the Quality of Life for Africans. These priorities reoriented lending toward infrastructure, energy access, and food security. The Desert-to-Power initiative aims to electrify 250 million people. AfDB expanded concessional financing, fast-tracked the Africa Investment Forum, and coordinated a $10bn Covid-19 response package. Adesina's tenure marked record capital increases, including a $115bn general capital boost in 2019. However, project execution lags and persistent regional disparities remain constraints on the bank's broader transformative ambitions.

Africa isn't yet a success story

The AfDB emerged as Africa's pre-eminent development finance institution, with cumulative approvals exceeding $100bn since inception. Its role in infrastructure financing, particularly energy, transport, and water, stands tall. The Bank led countercyclical lending during crises and enabled catalytic co-financing with private investors and multilaterals. AfDB's Africa Investment Forum has mobilised billions in deal commitments, while its emphasis on regional integration has supported cross-border transport corridors and power pools.

Estimated Infrastructure Stock (% of GDP) by Continent

Continent	Estimated Infrastructure Stock (% of GDP)	Per capita income (PPP, $)
Africa	30	7,373
Asia	70	21,590
Europe	80	59,055
North America	75%	70,695
South America	50	22,756
Oceania	65%	45,346

Source: World Bank, McKinsey, FDC Think Tank

Despite these successes, Africa's development gap remains stark. According to the Global Infrastructure Hub, the continent requires $130–170bn annually in infrastructure investment, with a $68–108 financing gap. The AfDB's annual lending capacity, typically below $10bn, is dwarfed by these needs.

Additionally, Africa's per capita GDP remains stagnant in many countries, with 439 million people still living below the poverty line. Public debt levels have risen sharply, narrowing the fiscal space for governments to co-finance development projects.

Africa accounts for over 70% of global extreme poverty incidence

Continent	Population (million)	Extreme Poverty (Number of people in million)	Extreme Poverty (% of population)
Africa	1,490	438.6	29.4
Asia	4,750	120.7	2.5
Europe	730.9	2.9	0.4
North America	381.6	1.5	0.4
South America	677.8	46.5	6.9
Oceania	43.2	3.0	6.9

Overall, two structural gaps stand out:

Funding gap: AfDB is constrained by capital adequacy and callable capital limits. Efforts to mobilise private finance through Public-Private Partnerships (PPPs) and guarantee schemes have yet to scale. The AIF, for instance, has generated deal flow but still faces bottlenecks in execution and bankability.

Development gap: In education, healthcare, and digital connectivity, the Bank's footprint is overshadowed by bilateral agencies. Despite its "High 5s", country ownership remains uneven, with project pipelines often skewed by regional or political visibility rather than economic urgency.

The next frontier – riding beyond the limits

As the African Development Bank (AfDB) welcomes its new president, the imperative shifts from activity volume to measurable results. The bank must sharpen its focus on outcome-driven strategies, setting clear targets aligned with Africa's pressing development priorities and rigorously assessing progress against them. This pivot is essential to enhance accountability and relevance amid mounting continental challenges.

The new leadership faces a critical funding gap exacerbated by the Trump administration's withdrawal from multilateral aid and reduced counterpart funding, constraining the bank's lending capacity. To address this, three priorities emerge: first, recapitalisation and risk innovation through shareholder engagement and hybrid capital structures to expand financial headroom; second, more profound decentralisation empowering country offices with greater autonomy and adaptive project management; third, aggressive mobilisation of private capital via guarantees, equity co-financing, and blended finance, targeting sectors like agritech, logistics, and healthtech.

The AfDB remains pivotal to Africa's development architecture. However, its future relevance will depend less on sheer scale and more on speed, strategic alignment, and flexibility. The new administration must blend institutional stability with reformist zeal, transforming ambition into scalable delivery and ensuring the bank remains Africa's development engine amid a complex global finance landscape.

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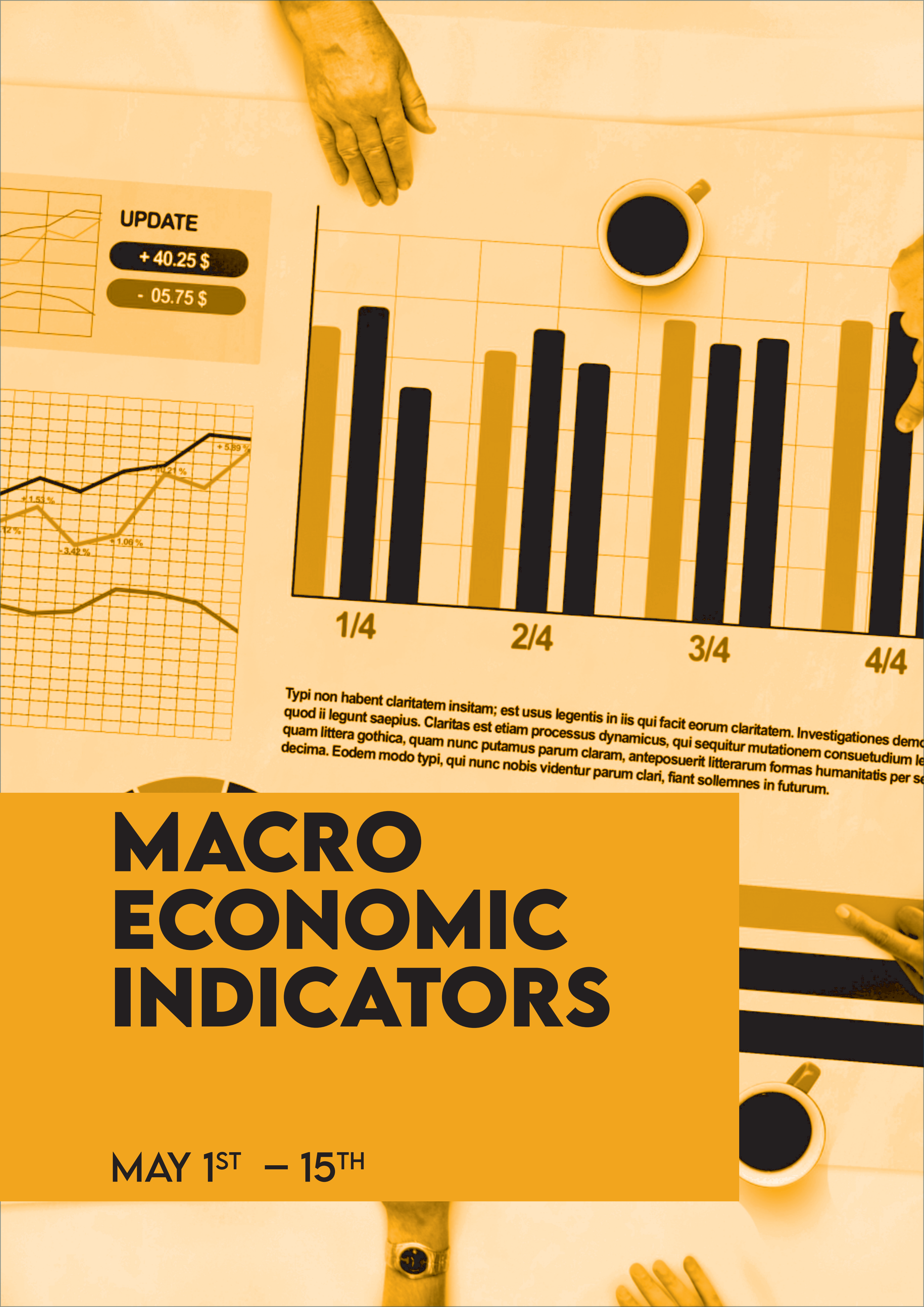


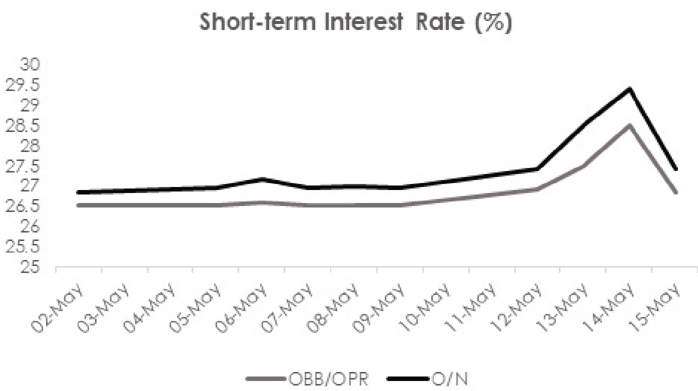
MACRO ECONOMIC INDICATORS

MAY 1ST – 15TH

MONEY MARKET

The bank's average opening position was positive in the first half of May, at N687.24bn long, representing a 2.60% increase compared to N669.83bn long in the first half of April. One OMO bill was issued during the period totaling N756.74bn, with no repayments recorded. Short-term interbank rates (OPR, O/N) averaged 27.17% p.a. in the first half of May, up 39 bps from 26.78% p.a. in the first half of April.

One primary market auction was conducted in the first half of May, totaling N598.33bn, which represents a 40.92% increase compared to N424.58bn recorded in the previous primary market auction in April. Meanwhile, five primary market repayments were made in the first half of May, which amounted to N464.19bn. Primary market rates declined on the 91-day and 182-day tenors, while the 364-day tenor remained unchanged. Similarly, at the secondary market, yields decreased at the 91-day and 182-day tenors and increased at the 364-day tenor in the period under review.



Source: FDC Think Tank

Tenor	Primary market (April 9,, 2025) (%)	Primary market (May 7,, 2025) (%)	Secondary market (April 14,, 2025) (%)	Secondary market (May 14,, 2025) (%)
91-day	18.50	18.00 ▼	18.16	16.75 ▼
182-day	19.50	18.50 ▼	18.80	18.35 ▼
364-day	19.63	19.63 ↔	18.25	18.30 ▲

Source: FMDQ, FDC Think Tank

Outlook and Implication

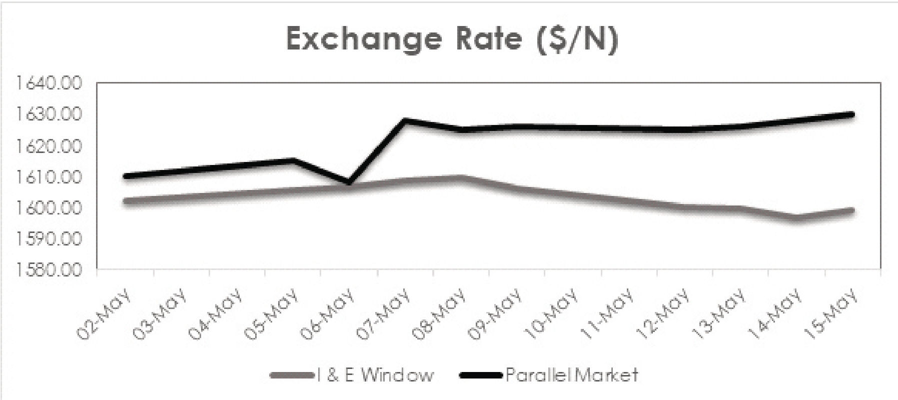
Interbank rates are expected to remain in double digits in the near term, as the CBN maintained the status quo at the May 2025 MPC meeting. The interbank rate may stay elevated or increase slightly.

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 appreciated by 0.18% to N1,599.33/$ on May 15 from N1,606.18/$ on May 2. This appreciation was supported by consistent dollar inflows, driven by non-bank financial institutions and an increase in non-oil exports. Conversely, the naira lost 0.92% in the parallel market, closing at N1,630/$ on May 15 compared to N1,615/$ on May 2. This depreciation was attributed to a temporary surge in dollar demand from importers and other market participants.



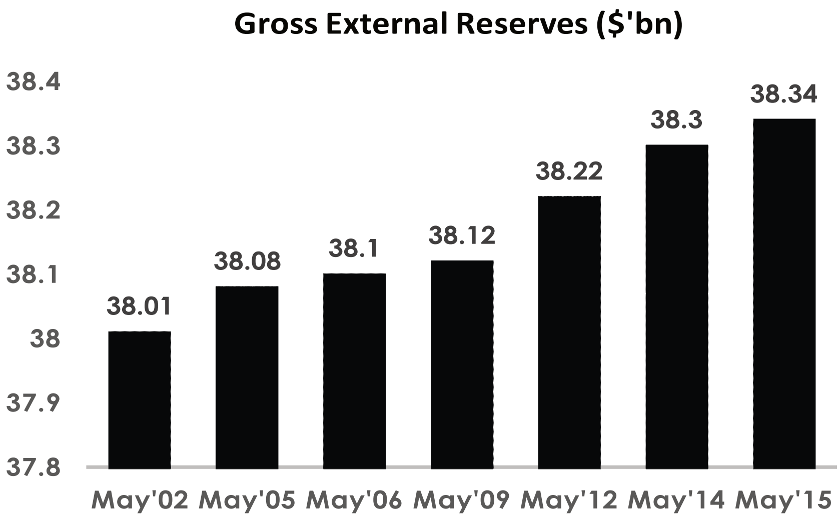
Source: FDC Think Tank

Outlook & Implication

The naira is expected to remain stable in the near term due to easing trade tensions, but significant gains are unlikely as FX liquidity stays tight amid weak foreign inflows and ongoing global uncertainty.

EXTERNAL RESERVES

The country's external reserves climbed 0.97%, reaching $38.38bn on May 15, up from $38.01bn on May 2. This increase was supported by higher non-oil export earnings and a rise in oil production in April by 6.43% to 1.49mbpd.



Source: CBN, FDC Think Tank

Outlook & Implication

We expect the external reserve to rise marginally in the coming weeks due to a reduction in foreign debt servicing and expectations of increased oil output and growth in non-oil exports.

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COMMODITY EXPORTS

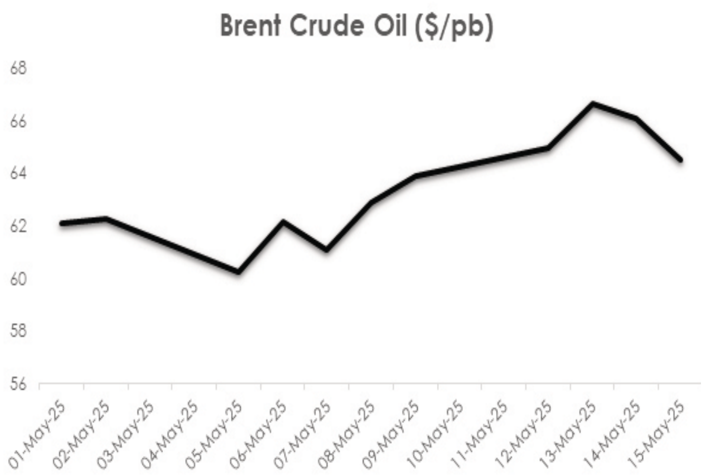
Nigeria is an export-dependent economy. It derives over 80%-90% of its export revenue from crude petroleum and LNG.

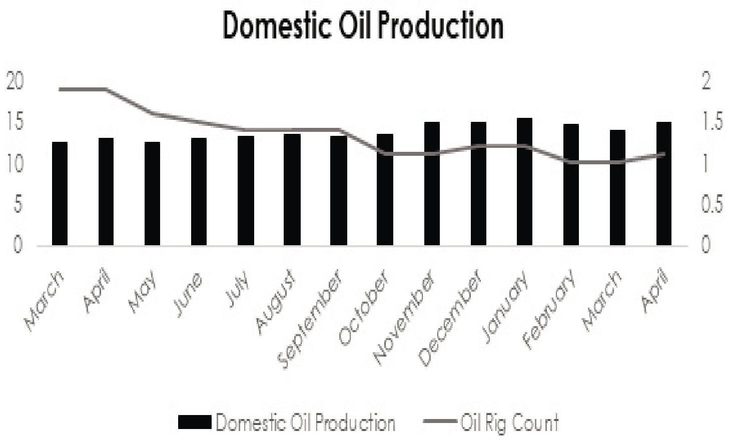
OIL PRICES

In the first half of May, Brent prices rose by 3.86%, rising from $62.13pb on May 1 to $64.53pb on May 15. This upward trend was fueled by optimism over a potential breakthrough in US-China trade negotiations, following the agreement to suspend tariffs on key trade items for 90 days, which elapse on August 12.

Oil production

In April, domestic oil production increased by 6.43% to 1.49mbpd from 1.40mbpd in March. Additionally, the number of oil rigs in the country rose to 10 units. OPEC's average production in April was 26.71mbpd, a decrease of about 62,000 barrels per day compared to 26.77mbpd in March 2025. Specifically, output increased in Saudi Arabia and the UAE, while it decreased in Iran and Venezuela.





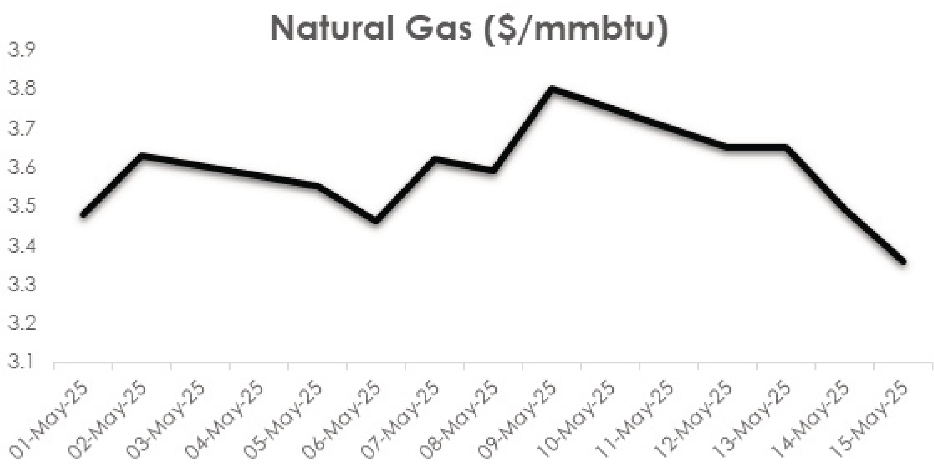
Source: Bloomberg, OPEC, FDC Think Tank

Outlook &Impact

Oil prices are expected to fall in the near term, as OPEC+ is expected to approve another 411,000mbpd production increase at its May 31 meeting. Nigeria's oil production will likely rise in May due to improved security and the introduction of the new "Obodo" crude, which is expected to bolster Nigeria's oil output. However, the anticipated drop in oil prices could reduce Nigeria's oil revenues and pressure the naira.

NATURAL GAS

Natural gas prices declined by 3.45% in the first half of May, falling from \$3.48/MMBtu on May 1 to \$3.36/MMBtu on May 15. The drop was primarily driven by weak market sentiments, following the U.S. Energy Information Administration (EIA) data release, which reported a larger-than-average inventory build. Additionally, unseasonably warm weather in the U.S. and Europe reduced heating demand, further contributing to the downward pressure on prices.



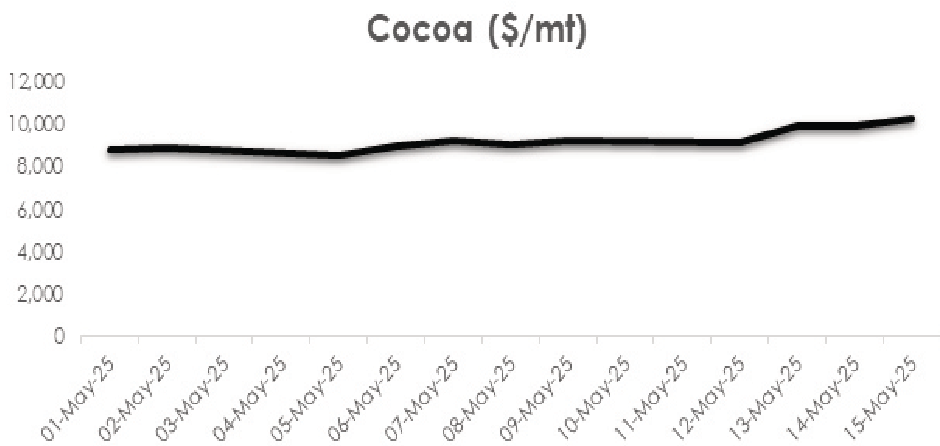
Source: Bloomberg, FDC Think Tank

Outlook & Impact

Natural gas prices are projected to remain bearish in the near term, driven by reduced heating demand in North America and Europe. This price decline will likely result in lower export earnings, which accounts for about 11% of Nigeria's total export earnings, and a corresponding decrease in government revenue.

COCOA

Cocoa prices surged by 17.32% to $10,257.00/mt on May 15, up from $8,743.00/mt on May 1, driven by persistent supply concerns as dry weather in Ivory Coast threatens the mid-crop (April–September) and the forthcoming main harvest for the 2025/26 season. The market's sensitivity to developments in Ivory Coast is understandable, given that the country contributes about 40% of global cocoa production.



Source: Bloomberg, FDC Think Tank

Outlook & Impact

Due to ongoing supply constraints, cocoa prices are expected to remain bullish in the near term. Elevated prices will enhance Nigeria's export earnings and likely attract increased cocoa farming investment.

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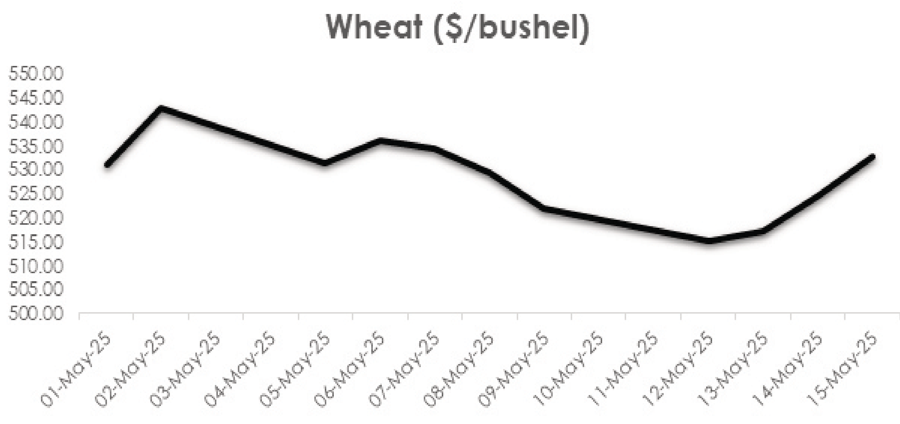
COMMODITY IMPORTS

WHEAT

Wheat prices increased by 0.33% in the first half of May from $531.00/bushel on May 1 to $532.75/bushel on May 15. The modest gain was driven by unfavorable weather conditions in major producing countries such as China, the US., and Turkey, which tightened global supply.



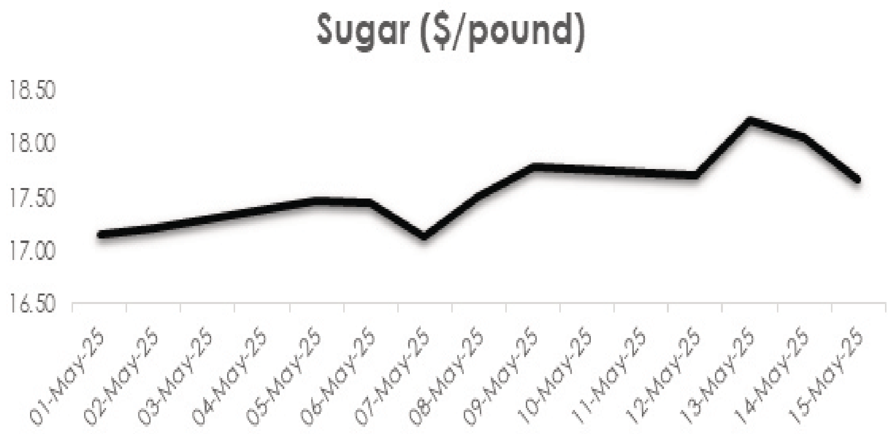
Source: Bloomberg, FDC Think Tank

Outlook & Impact-Grains

Grain prices are expected to decline in the near term, driven by expectations of a bumper harvest in the US. A drop in grain prices will likely reduce import costs, making grain-based products such as flour, bread, and other derivatives more affordable.

SUGAR

Sugar prices climbed 2.97%, rising from $17.16/pound on May 1 to $17.62/pound on May 15. This uptick was primarily driven by higher crude oil prices, which encouraged sugar mills worldwide to use more sugarcane to produce ethanol, thereby tightening sugar supply. In Brazil, a 5.31% decline in sugar production due to more cane used for ethanol, while India's ethanol blending target rising from 10% to 20% by 2025.



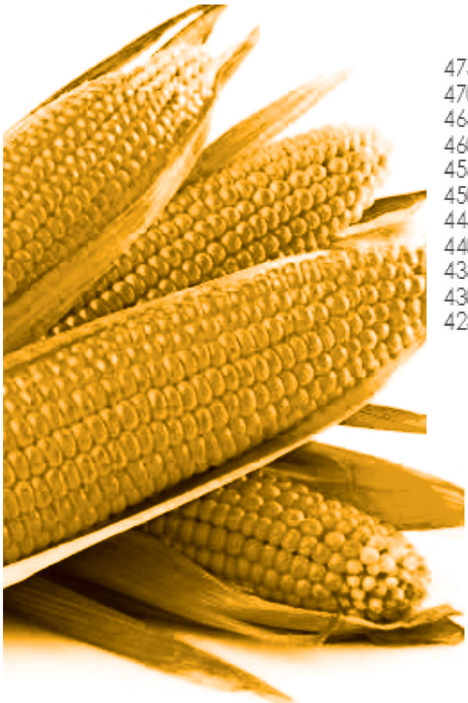
Source: Bloomberg, FDC Think Tank

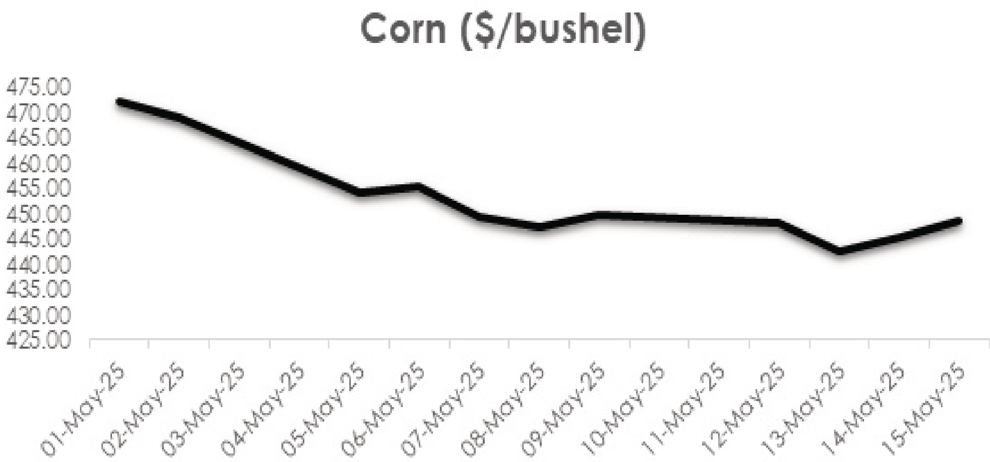
Outlook & Impact

As Datagro forecasts a global sugar surplus of 1.53 million tonnes for the 2025/26 season, sugar prices are expected to trend lower in the near term. This anticipated decline may help reduce production costs for the baking and food manufacturing industries while easing pressure on household budgets.

CORN

Corn prices plunged by 5.03%, falling from $472.25/bushel on May 1 to $448.50/bushel on May 15. The decline was primarily driven by improved weather conditions across the US., the EU, and Ukraine, along with a bumper harvest in Brazil that added further downward pressure on prices.





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. Similarly, the increase in oil production by 6.43% in April to 1.49mbpd, alongside rising cocoa prices above $10,000/mt will improve Nigeria's external trade in the upcoming quarter.

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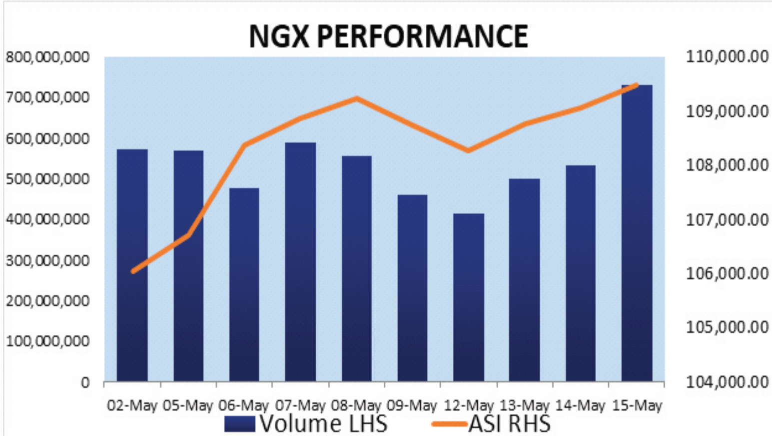
STOCK MARKET REVIEW

MAY 1ST – 15TH

The Nigerian Stock Exchange closed positively in the first half of May. It gained 3.47% to close at 109,467.64 points on May 15 from 105,800.85 points on March 30. Similarly, the market capitalization rose by 3.23% to N66.50trn on April 30, relative to its close of N68.80trn on May 15. The market YTD return was 6.36% in the first half of May. The market breadth was positive at 2.26x, as 70 stocks gained, 46 remained unchanged, and 31 lost.



Source: NGX, FDC Think Tank

The NGX's performance was positive due to broad-based buying in consumer goods, banking, and industrial stocks. It was further bolstered by easing inflation and strong rallies in top-performing stocks like Nestle Nigeria Plc and Guarantee Trust Bank.

The market activity level was positive in the review period. The average volume traded increased by 32.36% to 539.28mn units from 407.42mn units. However, the average value of trades surged by 42.64% to N14.72bn from N10.32bn in the first half of May.

The performance of the sectors was mainly positive in the review period, as four sectors gained while one lost. The consumer goods sector gained 11.42%, followed by the banking sector (2.13%), the oil & gas sector 4.59%, and the industrial sector 0.88%. The insurance sector lost (1.23%).

SECTOR PERFORMANCE

Industrial	FMCG	Banking	Oil &Gas	Insurance
0.88%	11.42%	2.31%	4.59%	-1.23%

TOP 5 GAINERS

Beta Glass Plc, a company that manufactures and distributes glass bottles and containers, led the gainers' list with a 114.02% increase in its share price. This was followed by Caverton Offshore Support Group plc (69.83%), Chellaram Plc (66.16%), The Initiates Plc (64.00%) and Academic Press Plc (49.83%).

TOP 5 LOSERS

Eterna Plc led the laggards with -13.91%. This was followed by VFD Group Plc (-12.97%), Haldane McCall Plc (-10.00%), Transpower Plc (-9.98%) and Union Dicon Plc (-9.70%).

TOP 5 GAINERS

Company	Apr-30 (N)	May-15 (N)	Absolute Change	Change (%)
BETAGLAS	99.85	213.70	113.85	114.02%
CAVERTON	2.42	4.11	1.69	69.83%
CHELLARAM	7.89	13.11	5.22	66.16%
TIP	4.5	7.38	2.88	64.00%
ACADEMY	2.87	4.30	1.43	49.83%

TOP 5 LOSERS

Company	Apr-30 (N)	May-15 (N)	Absolute Change	Change (%)
ETERNA	49.95	43.00	-6.95	-13.91%
VFDGROUP	18.5	16.10	-2.40	-12.97%
HMCALL	4.7	4.23	-0.47	-10.00%
TRANSPOWER	364.9	328.50	-36.40	-9.98%
UNIONDICON	8.25	7.45	-0.80	-9.70%

Outlook

The market will likely stay bullish in the near term as investors assess the impact of cooling inflation and improved investor confidence.

WHISPERS OUTLOOK

- Oil prices are projected to remain bearish in the near term, trading within the range of $60-64pb. This is due to concerns over a potential supply glut from progress in US-Iran talks and expected OPEC+ output increases.

- While lower oil prices are unfavourable for Nigeria's export earnings, prices of Nigeria's non-oil export commodities such as cocoa and Urea are bullish, buoying export earnings. Nigeria's gross external reserves rose by 1.56% to $38.52bn in the month of May.

- Accretion and stability in gross external reserves is expected to bolster the ability of the CBN to defend the naira. The naira has gained 0.43% to trade at N1,623/$ in the past two weeks. We expect the naira to remain stable within the range of N1,600/$ - N1,650/$

- Exchange rate stability is favourable for lower inflationary pressures. In April, headline inflation declined to 23.71% from 24.23%. We expect inflation to maintain this downward trajectory.

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