

# LBS BREAKFAST SESSION



**CRISIS AVERTED,  
BUT  
ECONOMIC PRESSURE  
SUSTAINED**

# QUOTES!



**Ayhan Kose**

**Deputy Chief Economist at the World Bank**

Uncertainty remains a powerful drag, like fog on a runway. It slows investment and clouds the outlook.

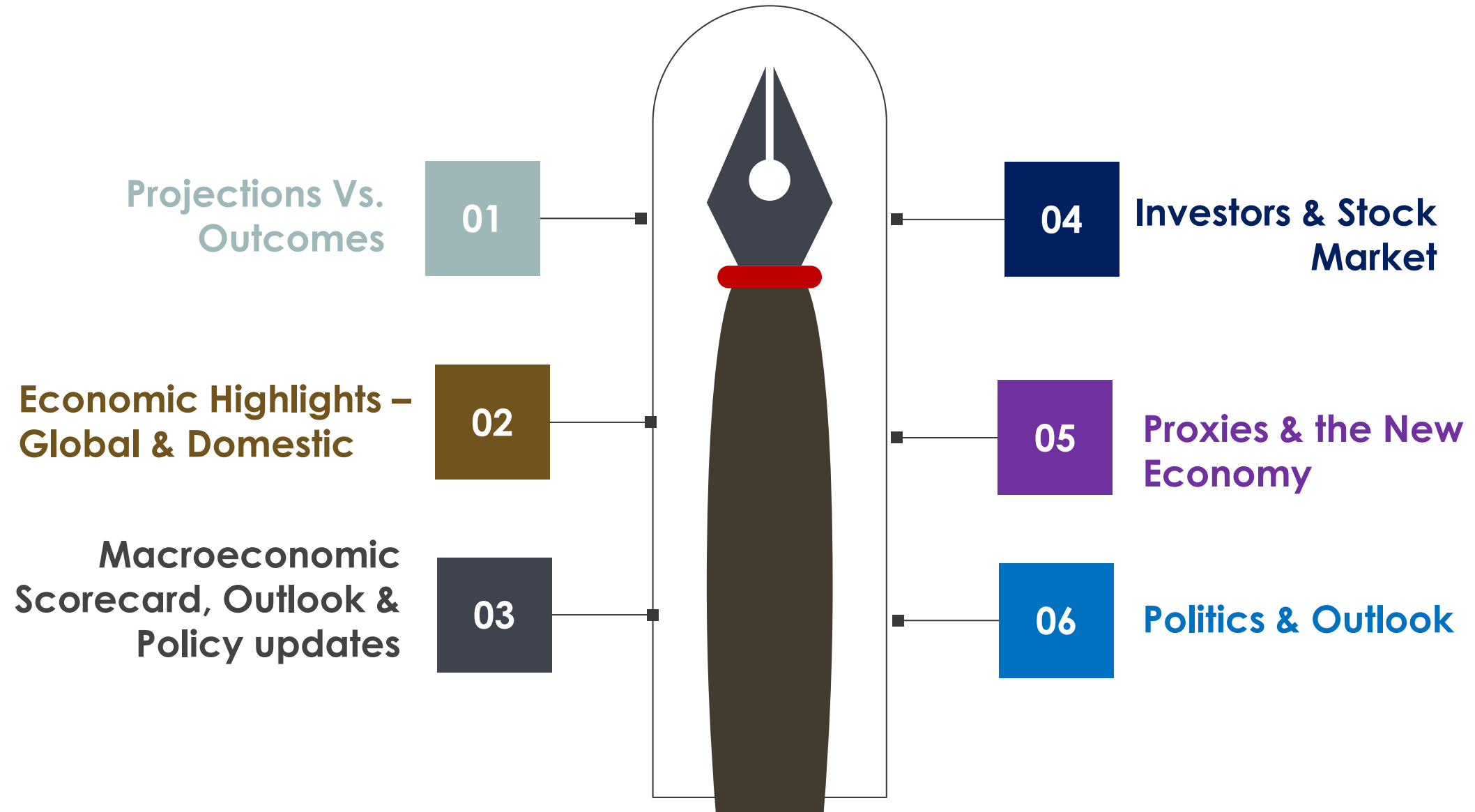


**Andrew Bailey**

**BoE Governor**

The pace and extent [of rate changes] are now significantly less predictable... the Bank has started using the term 'unpredictable' in addition to 'uncertain'... added a new layer of unpredictability to economic forecasting.

# OUTLINE



1

A black and white line drawing of a hand with zodiac signs on the fingers and palm. A large eye is drawn on the palm. Dotted lines radiate from the hand. The background features a large blue arrow pointing right, with smaller blue, orange, and green squares scattered around it.

# LBS BREAKFAST MEETING JUNE 4

## Projections Vs. Outcomes

# PROJECTIONS Vs. OUTCOMES

## PROJECTIONS

1

Inflation data will reveal a slight decline to 23.15%

2

FAAC allocation will be flat at ₦1.6trn as corporate income tax claw back reduces tax liabilities

3

The Naira will trade at ₦1,600-₦1,650/\$

4

Brent will trade at \$60-\$63pb as OPEC+ increases its output

5

Nigerian oil production will increase to 1.5mbpd

## OUTCOMES

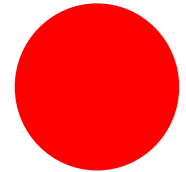
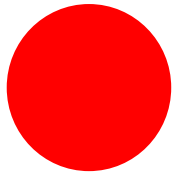
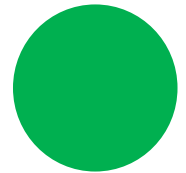
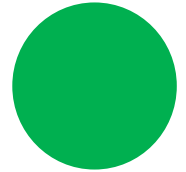
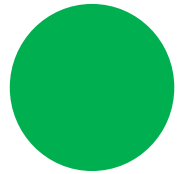
Inflation declined to 22.97%, within a  $\pm 0.05$  margin of error from our 23.15% forecast

FAAC allocation stayed at ₦1.66trn in May

The Naira gained 1.5% in a month, traded between ₦1,565x/\$ - ₦1,600/\$

Brent prices surged to a record high of \$79pb before falling to \$67pb

Oil production declined to 1.45 mbpd from 1.48 mbpd in April



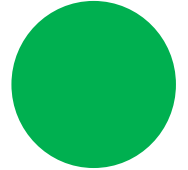
# PROJECTIONS Vs. OUTCOMES

## PROJECTIONS

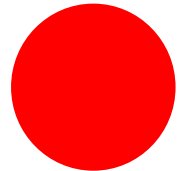
- 6** The price of PMS will decline marginally to ~~N~~845/litre
- 7** Diesel will trade at ~~N~~950/litre
- 8** Corporate profitability in Q2'25 will increase as companies carry lower inventory

## OUTCOMES

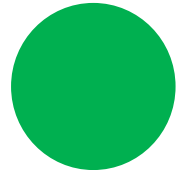
PMS ex-depot price has dropped to ~~N~~840/litre, so pump price is expected to decline soon



Diesel price now upwards to ~~N~~1,050



Corporates recorded higher profits in Q2 as projected, due to reduced FX losses



- Some projections reversed under the weight of mounting uncertainty

Score:





2



# ECONOMIC HIGHLIGHTS

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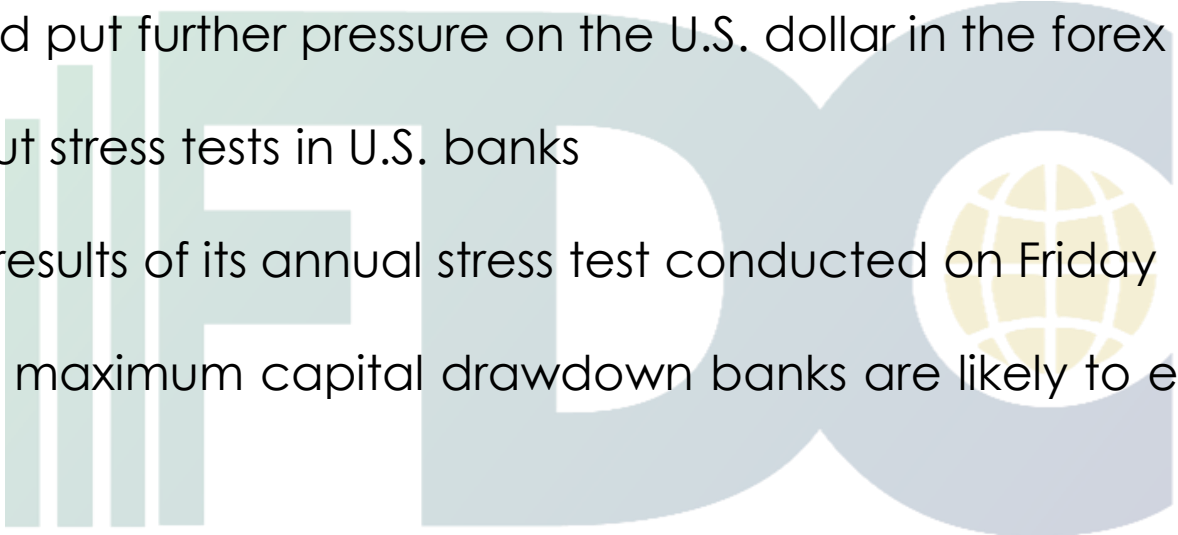


# GLOBAL HIGHLIGHTS

- Markets seem to be loving the volatility
- The S&P 500 has reached a record high of 6,215.08pts
  - Gaining 13.6% in 2025 alone
- The U.S. dollar seems to be moving in the opposite direction of stock markets, lost 11.09% this year
- Now trading at a 10-year low of 96.83 against the basket of currencies
- Some conspiracy theorists believe that this is a grand design of competitive devaluation
- The price of gold, the safe haven, has reached a peak of \$3,349 per ounce
- It is expected to remain the store of value as long as the dollar is falling
- The price of oil soared to its highest level in 5 months (\$81), before crashing to \$67pb on July 2



# GLOBAL HIGHLIGHTS

- OPEC+ is likely to increase its output by 411,000bpd after its July 6 meeting.
  - Donald Trump is considering nominating a replacement for the Fed chair this quarter
  - That suggestion helped put further pressure on the U.S. dollar in the forex market
  - The Fed has carried out stress tests in U.S. banks
  - The Fed released the results of its annual stress test conducted on Friday
  - The test estimates the maximum capital drawdown banks are likely to experience during a severely adverse scenario
  - The banks covered by Morningstar will see their capital buffers decline by 40bps on average
  - It means that U.S. banks will have an increased appetite for international credit
- 



# GLOBAL HIGHLIGHTS

- Jerome Powell has acknowledged that a rate cut is possible in July
- The number of central banks holding the U.S. dollar as external reserves is declining.
- Nevertheless, the dollar still accounts for 57% of total global reserves.
- The currencies that have gained from the dollar phobia are the Australian dollar, the Canadian dollar, and the Renminbi
- Nvidia, the giant of artificial intelligence and global chipmaker leader, shares price surged 11.61% reaching a market capitalization of approximately \$4trn
- Nike, the world's leading sportswear company, reported earnings higher than expected
- The stock price jumped by 3% to \$73 on July 2



# GLOBAL HIGHLIGHTS – IMPACT ON THE NIGERIAN ECONOMY

- China removes all tariffs for Africa in FOCAC follow-up
- China-Africa trade rose 5% to US\$296bn in FY2024
- A stable naira against a falling dollar creates a mirage of appreciation
- Domestication of international debts reduces the spectre of translation losses in 2025/26
- The Nigerian government has a chance of raising international credit from the markets
- We expect Nigeria to raise project-specific debts of a minimum of \$3-4bn in the next 12 months
- Nigerian companies sourcing raw materials and parts from China and India have a competitive advantage.



# DOMESTIC HIGHLIGHTS

## □ Output Trends

- GDP growth is expected to slow to 3.56% in Q1 '25 from 3.84% in Q4'24
- Diesel prices increased by 7.14%, now selling at ~~N~~1,050/litre
- Dangote Refinery reduces ex-depot price to ~~N~~840/litre
- Dangote Refinery launches credit facilities for marketers, plans free nationwide delivery of PMS and diesel
- PMI has continued to decline, but is still within the neutral 50 points at 51.6 from 52.7

## □ External Trends

- Global oil price now trading at \$67pb
- Q1 '25 trade surplus rose 16.8% (yoy) to \$3.4bn on strong export rebound
- Moody's upgraded Nigeria's rating from 'Caa1' to 'B3' with a stable outlook
- Fitch downgraded Afrexim Bank from 'BBB' to 'BBB-' with a negative outlook





# DOMESTIC HIGHLIGHTS

## □ Monetary Trends

- Inflation decelerated further to 22.97% in May
- CBN imposed a temporary suspension on dividend payments, executive bonuses, and foreign subsidiary investments for banks under regulatory forbearance
- Money supply growth declined further to 19.92% in May from 22.8% in April
- Naira appreciated in both the parallel (₦1,558/\$) and official markets (₦1,529/\$) , and the gap narrowed to ₦29
- Bank inter-opening position in the past month remains positive, average of ₦812.93bn long
- FACC dropped to ₦1.66trn in May, a 1.19% decline from ₦1.68trn recorded in April

## □ Fiscal Trends

- Total government debt in Q1 '25 increased to ₦149.39trn
- Debt service remains high as interest rates stay elevated
- New tax law kicks in

3

The background features a collage of colorful geometric shapes, including squares and rectangles in shades of blue, orange, green, and purple. In the lower-left corner, there are two charts: a 3D bar chart with six bars of increasing height in red, purple, blue, teal, green, and dark green; and a 3D pie chart with six segments in green, yellow, orange, purple, blue, and teal. The main title is overlaid on the right side of the image.

# MACROECONOMIC SCORECARD, OUTLOOK & POLICY UPDATES



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# MACROECONOMIC SCORECARD

## Leading Indicators

May'25

Jun'25

% Change

Jul'25\*

|                                |               |                |       |             |
|--------------------------------|---------------|----------------|-------|-------------|
| Exchange rate, official (N/\$) | 1,610         | 1,529          | -5.03 | 1,550       |
| Exchange rate, parallel (N/\$) | 1,630         | 1,558          | -4.42 | 1,600       |
| Money supply growth(%)         | 23.9 (Apr'25) | 19.98 (May'25) | -16.4 | 17*(Jun'25) |
| PMI                            | 54.2(Apr'25)  | 51.6(May'25)   | 4.79  | 50          |
| MPR (%)                        | 27.50         | 27.50          | 00    | 27.50       |
| 365-day T-bills (%)            | 19.56         | 19.10          | -2.36 | 18.84       |

## Coincidental Indicators

|                               |               |               |      |                |
|-------------------------------|---------------|---------------|------|----------------|
| GDP growth(%)                 | 3.84 (Q4'24)  | 3.4 (Q1'25)   | 0.44 | 3. 6(Q2'25)    |
| Oil production (mpbd) avg.    | 1.48 (Apr'25) | 1.45 (May'25) | 2.03 | 1.48* (Jun'25) |
| Brent Oil price (\$/bl) (EoP) | 63.13         | 67            | 6.13 | 65             |

Source: NBS, CBN



# MACROECONOMIC SCORECARD CONT'D

## Lagging Indicators

May'25

Jun'25

% Change

Jul'25\*

Inflation (%)

23.71 (Apr'25)

22.97 (May'25)

0.74

23.38\* (Jun'25)

Gross External reserves (\$'bn)

38.38

37.32

2.8

37.8

Stock market cap. (N' trn)

68

75.7

11.3

76.83

Real Estate vacancy factors (%)

23 (2018)

35\* (2025)

12

38

Overall score:

5

6

1



# Outlook

☐ *Inflation*

☐ *Exchange Rate*

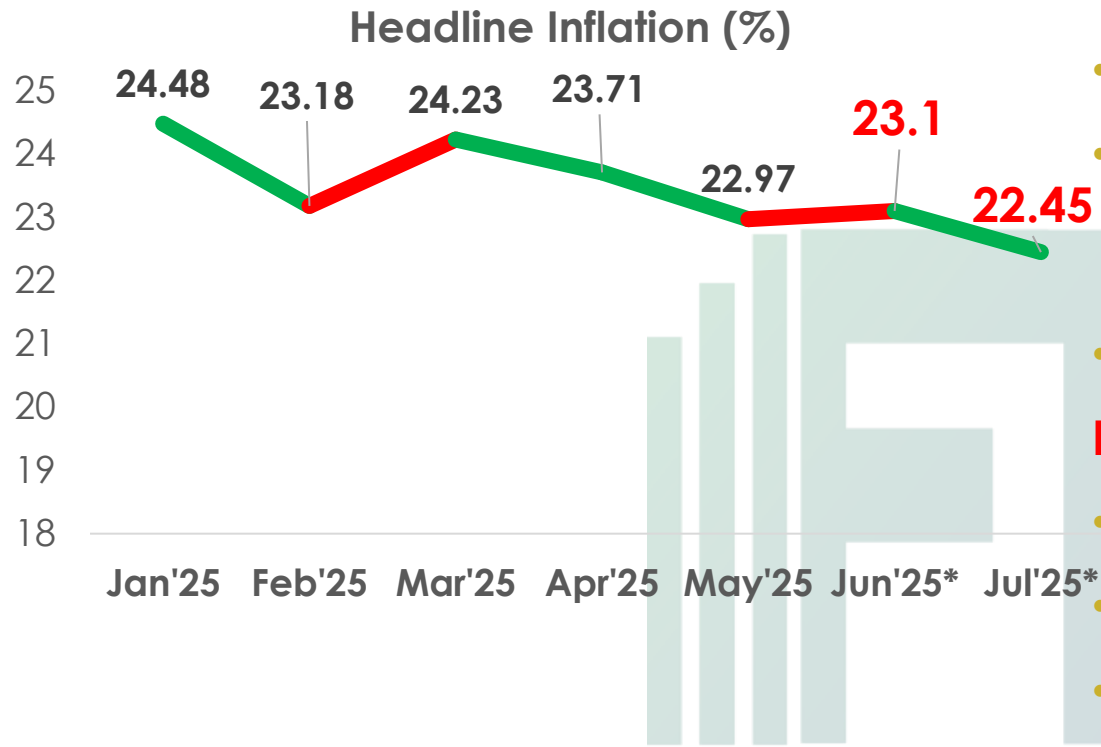
☐ *Q1'25 Real GDP*

☐ *Money Supply*

☐ *Interest Rates*

☐ *Corporate Profitability*

# INFLATION OUTLOOK – MARGINAL DROP EXPECTED IN JULY



- Headline inflation moderated by 0.74% to 22.97% in May
- With the exchange rate remaining stable and money supply growth declining, inflation is expected to decline further
- This will determine CBN's decision in its next meeting

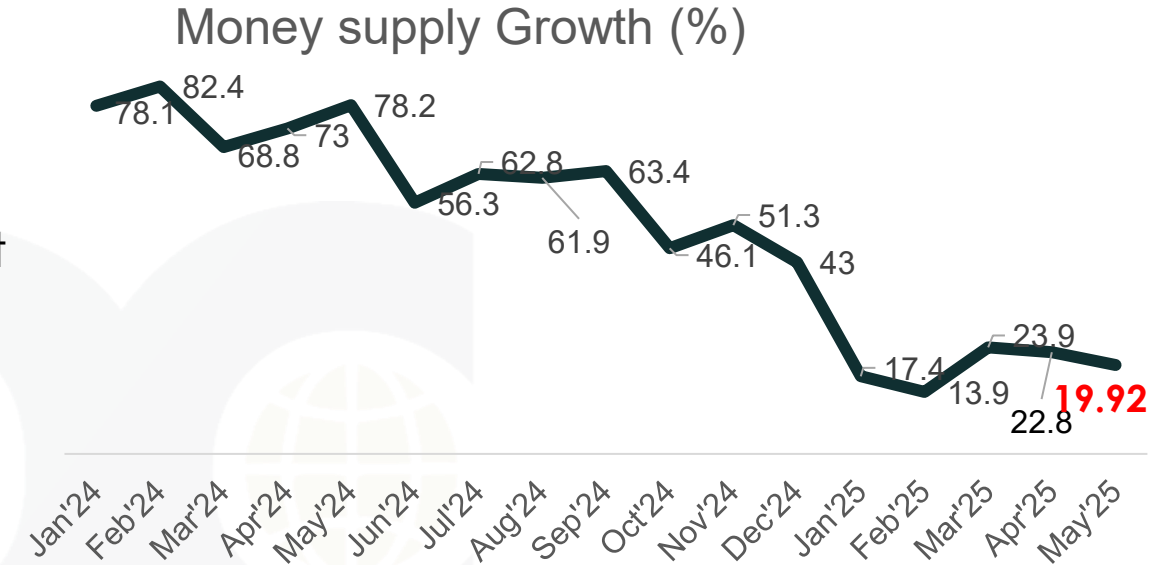
## Possible Spoilers

- Mokwa flood effect
- Planting season effect
- Diesel price reversed upwards to ₦1,050/litre



# MONEY SUPPLY GROWTH OUTLOOK - SIGNS OF DECELERATION

- Money supply growth declined in May to 19.92% from 22.8% in April: a 1.1% fall from 23.9% recorded in March
- Driven by an 8.8% decrease in credit to the government to ₦23.6 trn from ₦25.9 trn in March
- Money supply growth to decline further June and July



## Cash Circulation (May'25)

### Total Currency in Circulation

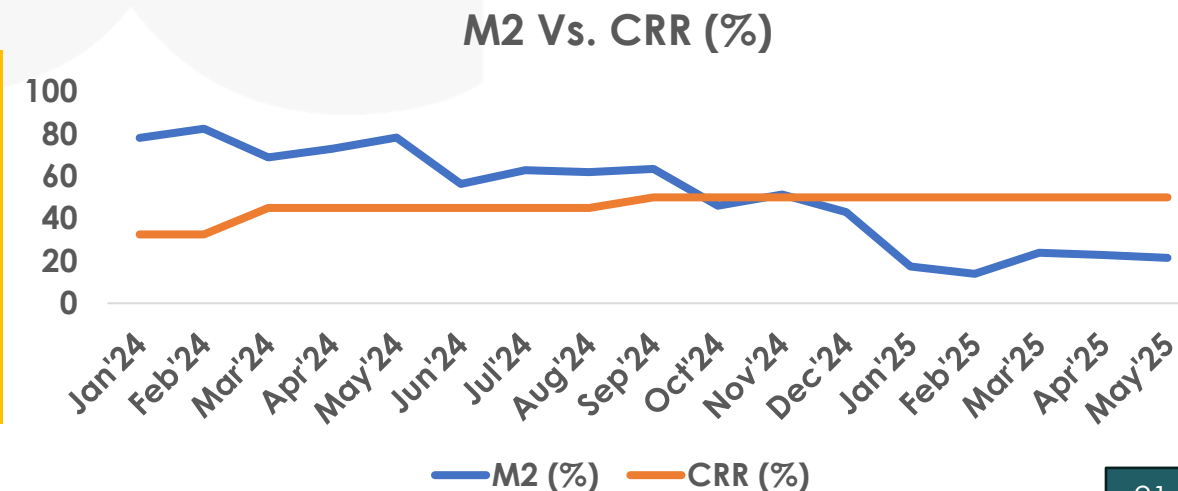
Remains flat at ₦5.01 trillion between April and May 2025

### Bank reserves with CBN

Rose by 3.85% to ₦30.86 trillion in May from ₦29.72 trillion in April

### Currency Outside Banks

Increased to ₦4.63 trillion in May, up 1.42% from ₦4.57 trillion in April



# NAIRA OUTLOOK – STABILITY EXPECTED IN JULY

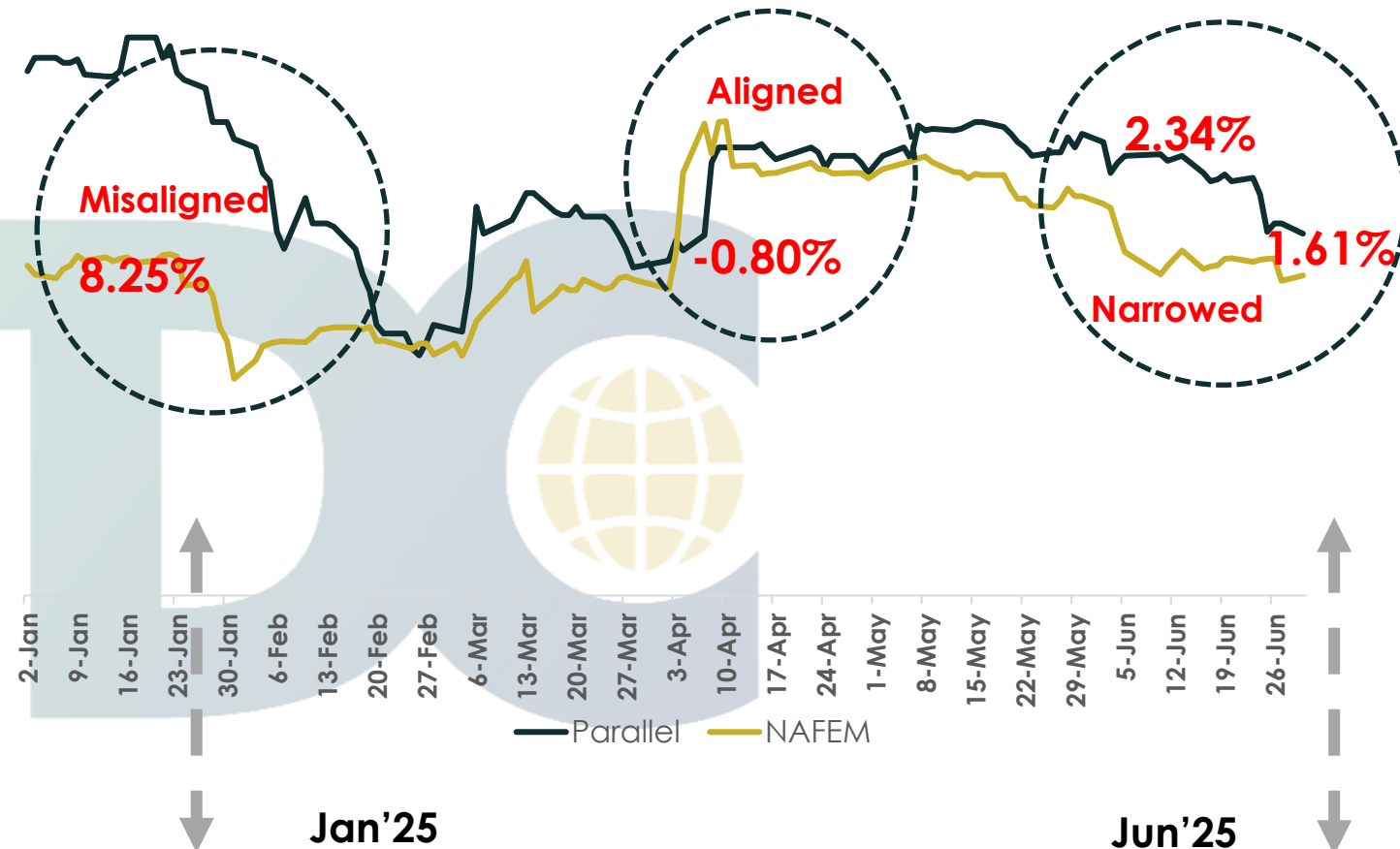
Exchange rate convergence

## Fundamental drivers of recent stability

- Rising crude oil prices (but Brent price now at \$76pb)
- Reduced import
- Q1 '25 trade surplus rose 16.8% (yoy) to \$3.4bn
- Inflation-interest rate differential

Despite the shocks, the level of volatility has narrowed

The exchange rate will remain stable in July trading between N1,550-N1,600/\$



Jan'25

Exchange rate (EoP): **N1,620/\$**

Inflation: **24.48%**

Gross external reserve: **\$39.72bn**

Interest rate: **27.5%pa**

Jun'25

Exchange rate (EoP): **N1,564/\$**

Inflation: **22.97%**

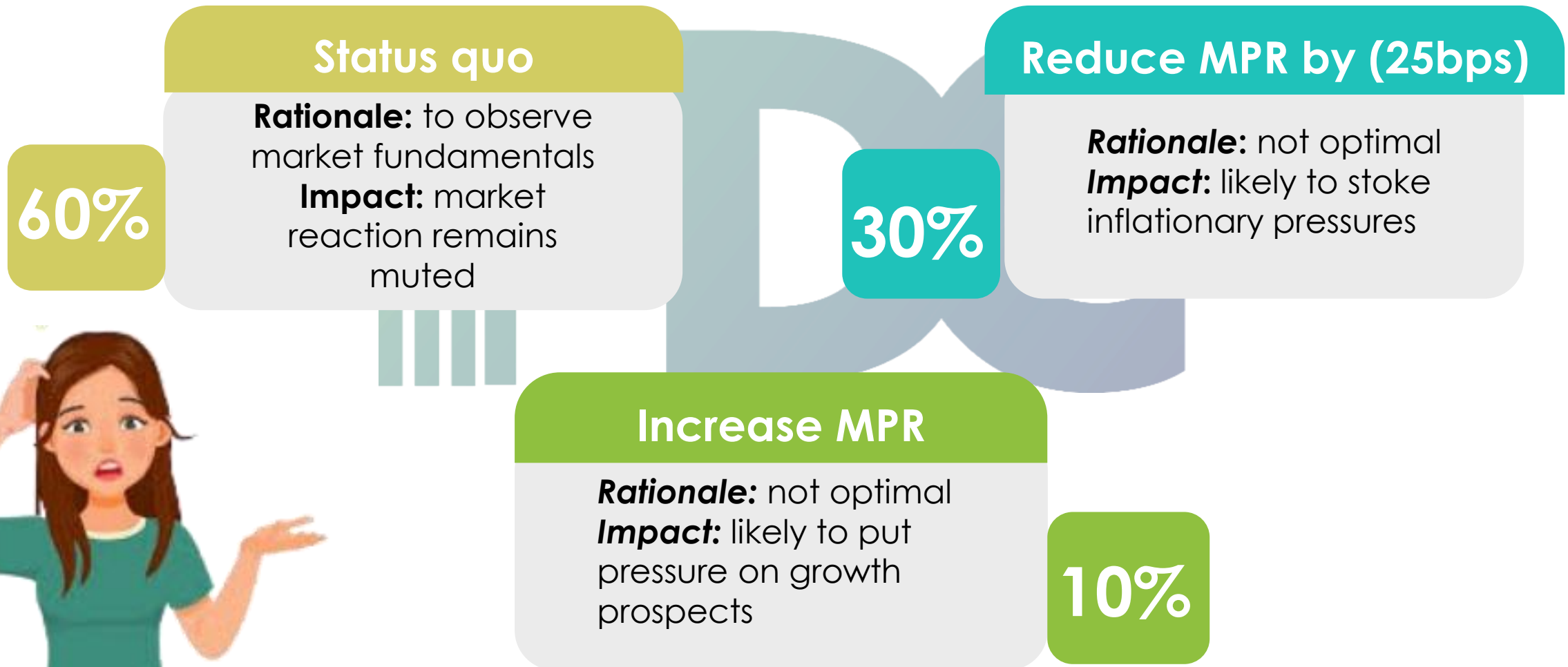
Gross external reserve: **\$37.71bn**

Interest rate: **27.5% pa**



# INTEREST RATE OUTLOOK - MPC'S NEXT MOVE

MPC's meeting is scheduled for July 21/22







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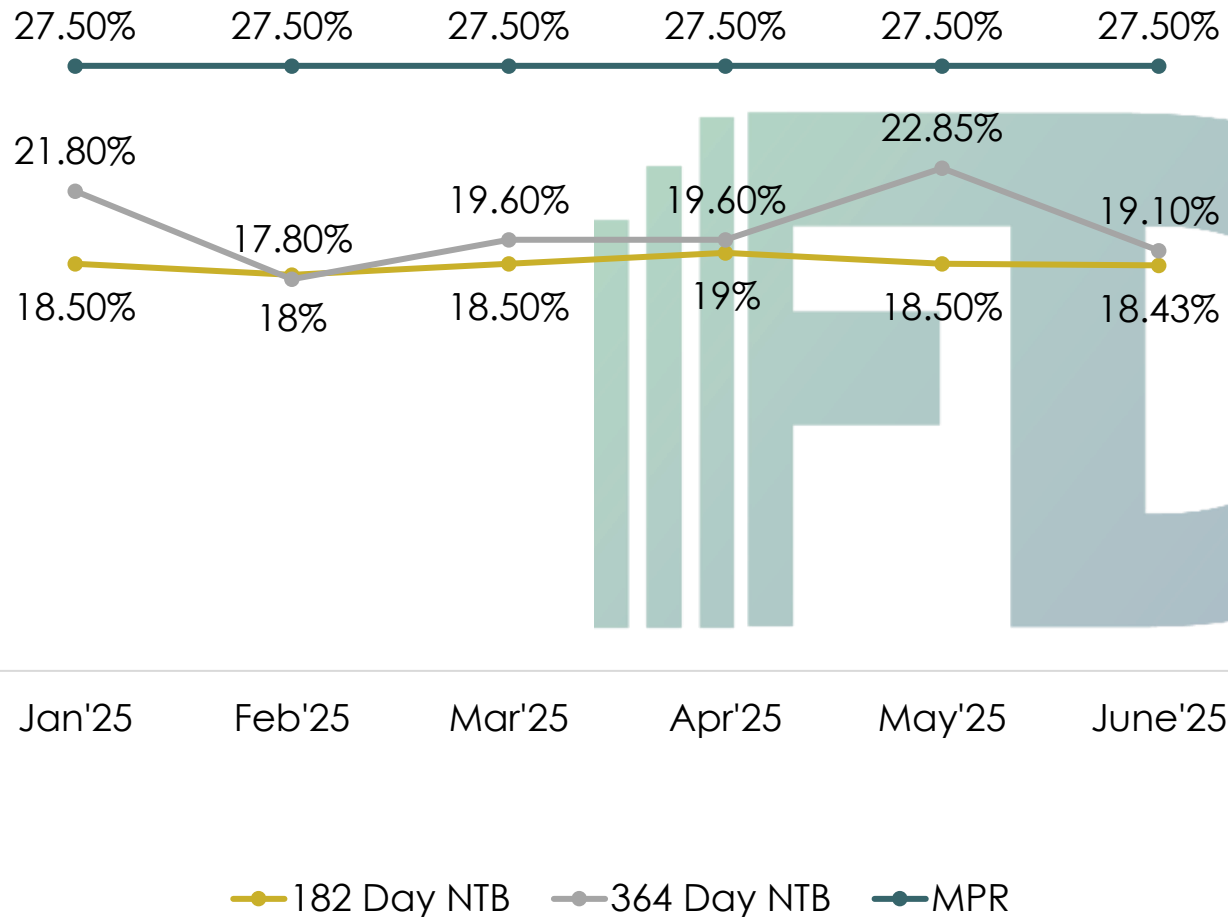
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# IS THE MPR AN EFFECTIVE ANCHOR RATE? **NOT REALLY**

MPR VS NTB Rates



- MPR as a Signaling Tool, Not a Binding Floor
- Despite MPR remaining constant at 27.50%, NTB rates have been consistently 5–10% points lower
- The MPR is moving in a different direction from other rates
- This reflects a monetary policy disequilibrium
- A more potent anchor is the one-year T/bill rate, now 19.10%p.a

# Q1'25 GDP GROWTH EXPECTATION

- Based on historical trends and leading economic indicators, we forecast that Nigeria's GDP will grow by 3.56% in Q1 2025
- Marking a 0.28% decline from the 3.84% growth recorded in Q4 2024

## Sector Performance – Q1'25 Outlook

### Expand

- ICT
- Financial Services
- Agriculture
- Transportation
- Crude Oil Production
- Construction

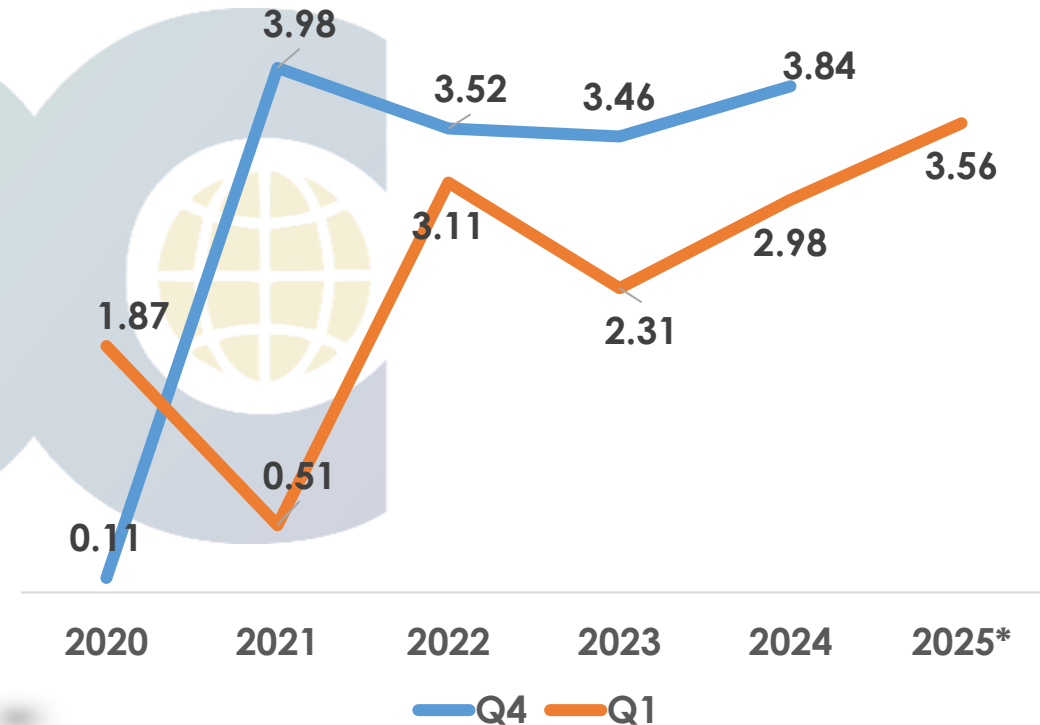
### Contract

- Mining and Quarrying
- Tourism and Hospitality
- Oil Refining and Energy

### Slow

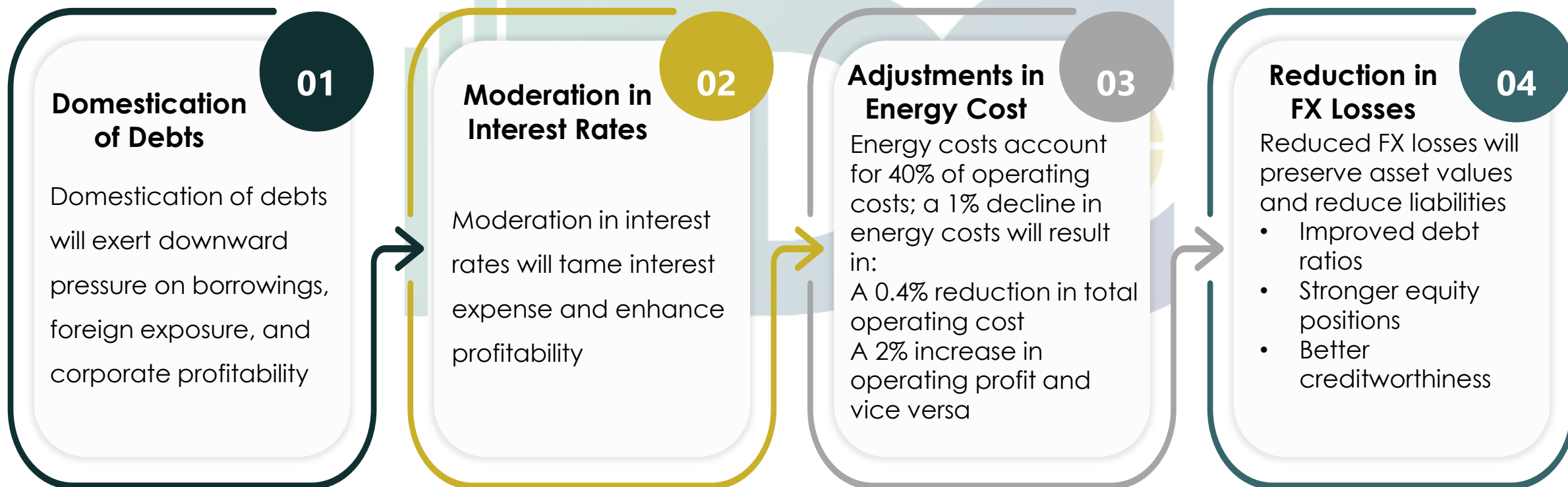
- Real Estate
- Trade and Retail
- Education
- Manufacturing

## Trend of Q4 vs Q1



# CORPORATE PROFITABILITY IN H2'2025

- **Lower FX losses, interest rates, and energy costs** will ease operating pressures, improve margins, and strengthen balance sheets
- A 1% drop in energy cost = 2% profit boost



New rule on registering all C.P's by the SEC will reduce credit availability



# NIGERIAN COMPANIES: PROFIT MADE, DIVIDEND PAID FOR FY'24

- Top Nigerian companies reported about ₦1.2trn profit in Q1'2025
- Listed Nigerian companies paid a total of ₦1.1trn as dividends
- Dangote Cement paid the highest dividend of N502.6bn, dividend yield of 6.82%





# IF-WHAT ANALYSIS

## Scenario

| Indicator                      | Current Status/Trend   |
|--------------------------------|--|
| Exchange Rate                  | Stabilizes at N1,560/USD   |
| Money Supply Growth            | Sharply declined from 23.02% in April to 19.92% in May, and continues to decline |
| Velocity of Money              | Falling (slower circulation of money)  |
| Business & Consumer Confidence | Declining  |
| PMI                            | Dropped from 52.7 (May) to 51.6 (June) — still above 50 but decelerating         |
| Global Crude Oil Price         | Stays at \$65/barrel (weak fiscal buffers, potential pressure on FX reserves)    |
| Inflation (May)                | 22.97% YoY   |

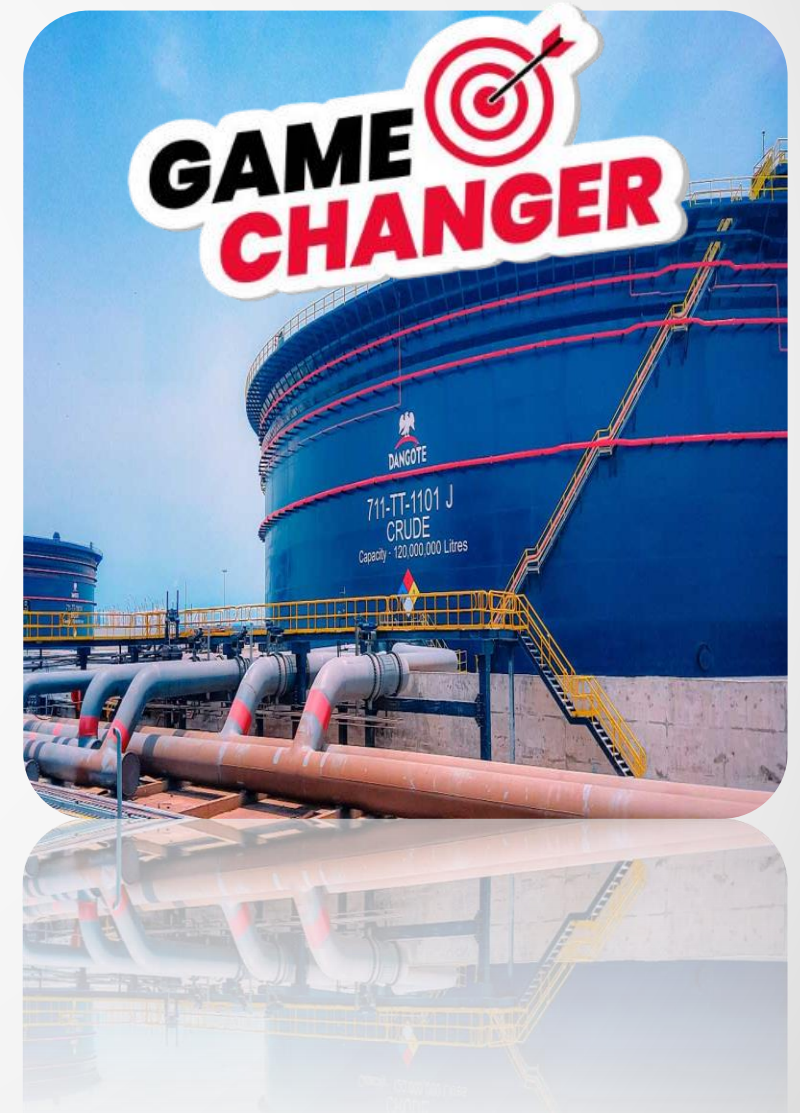
## Inflation Projection

| Month       | Estimated Inflation Rate (YoY) | Rationale  |
|-------------|--------------------------------|--|
| June 2025   | 23.1% – 23.5%                  | Declining money supply begins to ease demand pressures; stable exchange rate limits passthrough inflation. |
| July 2025   | 22.4% – 22.8%                  | Continued disinflation as confidence wanes, PMI slows further, and base effects begin to kick in.          |
| August 2025 | 20.6% – 20.9%                  | Slower money velocity + possible inventory overhang from weak demand exert downward pressure on prices.    |

With the exchange rate remaining stable and money supply growth declining

- Inflation will continue to decline gradually, likely to fall to 20.8% in July and below 20% by August
- Provided that fiscal discipline, structural reforms, and monetary stability are sustained
- Increasing the probability that the MPC will cut policy rates at its July 20 meeting

# GAME CHANGER





# DANGOTE REFINERY - THE GAME CHANGER 1

## What Dangote is doing



### **4,000 CNG Trucks**

Nationwide logistics fleet for clean transport



### **₦1.07tn Annual Logistics Cost**

Borne fully by Dangote Refinery



### **Credit Facility of 500,000 litres**

500,000 litres credit for bulk buyers to pay in 2 weeks, under a bank guarantee



### **₦720bn CapEx**

On trucks, CNG stations (mother & daughter model)



### **Free Distribution of 65m Litres/Day**

Covers Nigeria's refined fuel demand  
(PMS, Diesel, Jet A1)





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# IMPACT OF THE NEW DISTRIBUTION STRUCTURE

## BEFORE (Legacy System – PEF Era)

- ❌ Perennial fuel scarcity
- ❌ Adulterated fuel
- ❌ Price discrimination
- ❌ Bridging costs (via PEF)
- ❌ Inflation at 33%
- ❌ GDP growth at 2%
- ❌ Smuggling & subsidy abuse
- ❌ Dormant fuel stations

## NOW (Dangote Refinery Model)

- ✅ No more fuel scarcity
- ✅ High-quality fuel supply
- ✅ Uniform pricing
- ✅ No bridging costs
- ✅ Inflation down to 23%
- ✅ GDP growth at 3.4%
- ✅ Smuggling minimized
- ✅ Dominant Fuel stations resuscitated

**The new structure guarantees cost efficiency & scale economies**



# THE PETROL PICTURE - SUPPLY HAS IMPROVED

**BEFORE**

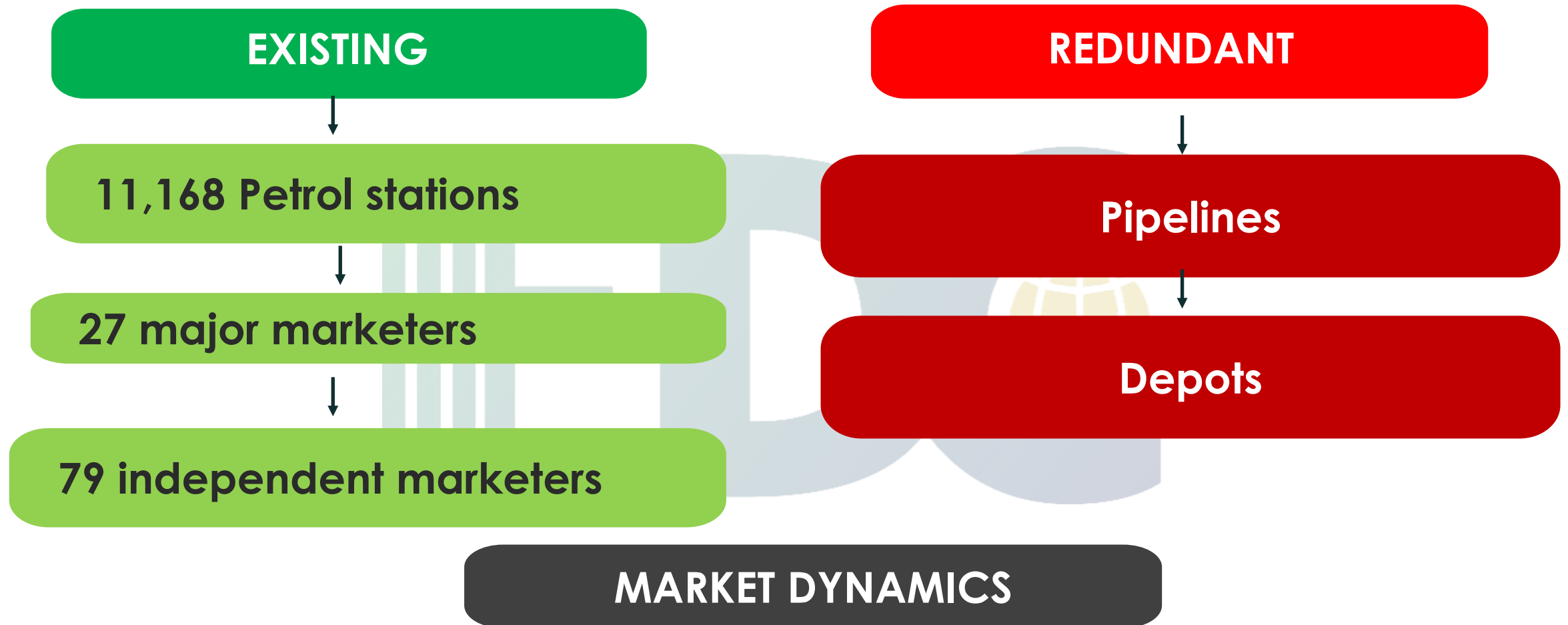


**AFTER**





# STRUCTURE OF THE NIGERIAN DOWNSTREAM PETROL SECTOR



- Price discrimination
- Petroleum Equalization Fund

# OUTLOOK – PIPELINES & DEPOT REVIVAL

- Pipeline network revival could further reduce road logistics
- Pipeline investment of approximately \$4bn could reduce ₦1.07tn (\$10.8bn) logistics burden
- Privatization of pipeline investment
- There's an opportunity to consolidate price transparency, eliminate remaining arbitrage





# OIL PRICE PARADOX – UP YOU WIN, DOWN YOU LOSE



Link between global oil prices and the retail price of petrol (PMS) in Nigeria

**Global Oil Price** ↓ → **Retail Fuel Price** ↓  
**(\$79pb to \$66pb)**      **(~~₦880~~ – ~~₦840~~/litre)**

**Global Oil Price** ↓ → **Government Oil Revenue** ↓  
**(\$79pb to \$66pb)**      **At 1.45 million bpd**

**\$79bp** - Daily revenue = **\$114.55mn**  
Quarterly = **\$10.31bn.**

**\$66bp** - Daily revenue = **\$95.70mn**  
Quarterly = **\$8.61bn**

- ❑ While a drop in global oil prices can benefit consumers through cheaper fuel, it simultaneously reduces fiscal capacity
- ❑ The reverse is also true - rising global oil prices increase government revenue but cause higher retail fuel prices

# DANGOTE FERTILIZER PLANT - THE GAME CHANGER 2

## What Dangote is doing

### ❑ Africa's largest granulated urea fertilizer

production capacity of 3mn mt annually

### ❑ Dangote Fertiliser is expanding its footprint in West Africa

To distribute fertilizer in Ghana, Côte d'Ivoire, Burkina Faso, and Togo

### ❑ Dangote aims to earn up to \$7 million daily

This translates to over \$2.5 billion annually in foreign exchange inflows for Nigeria

### ❑ Dangote plans to expand the current plant's capacity

To make it the largest urea producer globally



- Dangote plans to list Dangote Fertiliser on the Nigerian Stock Exchange by the end of 2025, opening up opportunities for public investment in the fertilizer business.

# ***POLICY UPDATES***



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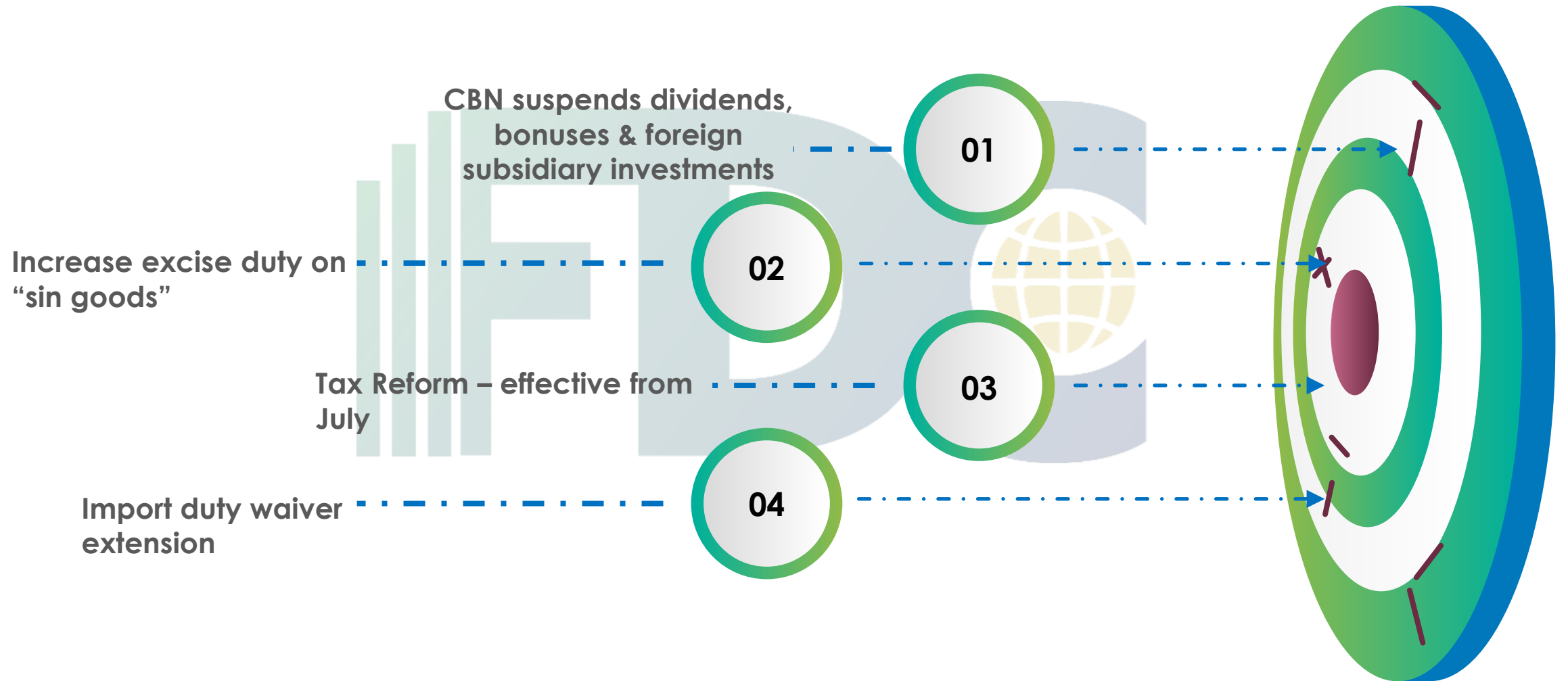
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# POLICY SHIFT & DIRECTION



4



# INVESTORS & STOCK MARKET

Market Response



# TAX REFORM - WHAT IT MEANS FOR CORPORATES

| TAX Reform                       | Profitability Impact                | Comments  |
|----------------------------------|-------------------------------------|---|
| CIT remains unchanged (30%)      | Positive                            | Increased net earnings for large firms                                      |
| 4% Development Levy              | Mixed                               | Consolidates levies, but still increases costs                              |
| VAT Rate Maintained + Exemptions | Slight Positive                     | Supports consumer spending, aids sales in essential sectors                 |
| <b>Global Minimum Tax</b>        | <b>Negative (for MNCs)</b>          | <b>Higher tax burden on multinationals; may reduce capital repatriation</b> |
| <b>Digital/Crypto Taxes</b>      | <b>Negative (for digital firms)</b> | <b>Squeezed margins, discourages crypto adoption</b>                        |



# INITIAL MARKET RESPONSE TO CBN'S NEW BANK REGULATION



Price as of 13 June  
= 71.5  
Reaction = 75.65  
Current price as of  
30 June = 84.95  
**Growth 13.64%**



Price as of 13 June  
= 22.35  
Reaction = 20.05  
Current price as of  
30 June = 21.9  
**Growth - (1.12%)**



Price as of 13 June  
= 50.1  
Reaction = 45.60  
Current price as of  
30 June = 56.95  
**Growth 13.67%**



Price as of 13 June  
= 28.2  
Reaction = 25.40  
Current price as of  
30 June = 26  
**Growth - (7.80%)**



Price as of 13 June  
= 36.15  
Reaction = 32.20  
Current price as of  
30 June = 32.20  
**Growth - (2.07%)**

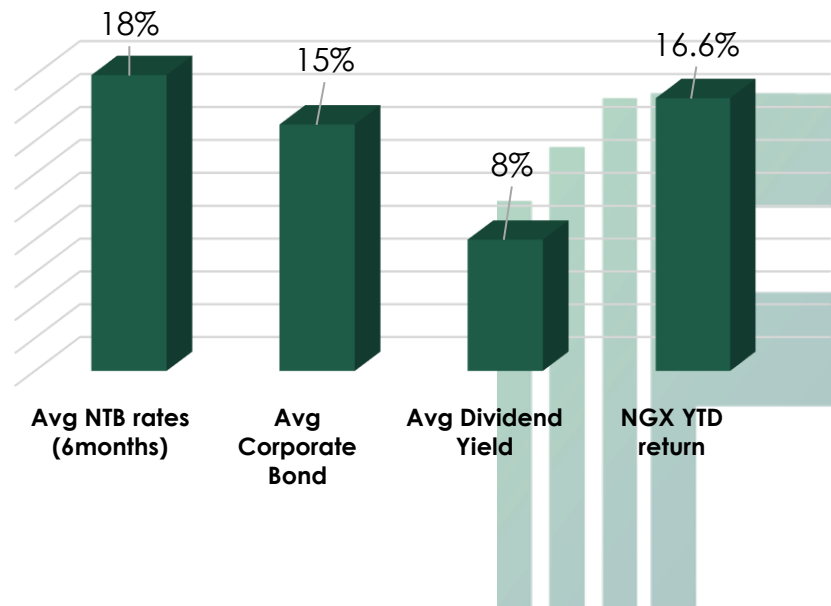


Price as of 13 June  
= 19.25  
Reaction = 18.30  
Current price as of  
30 June = 20.00  
**Growth (3.90%)**

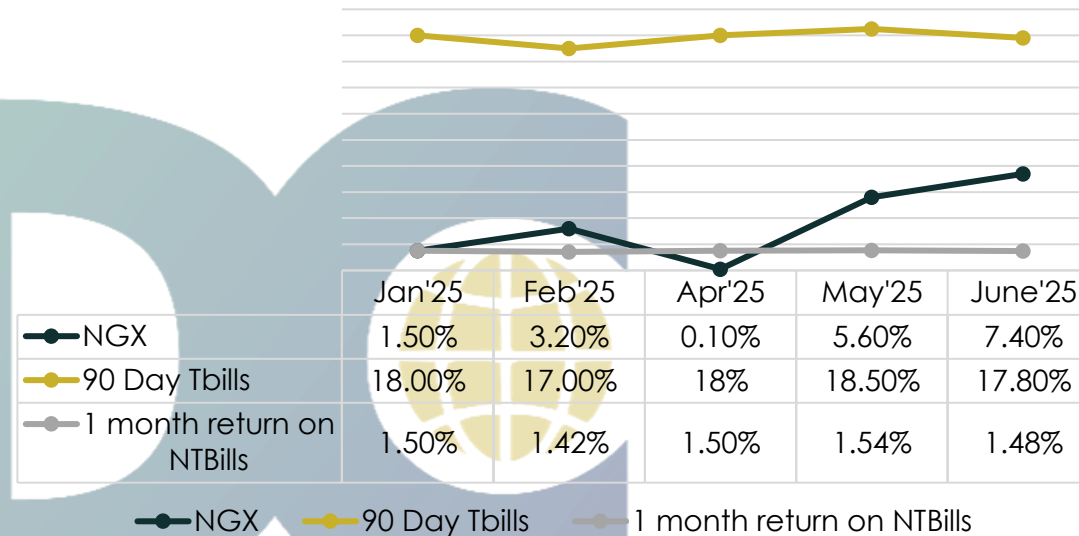
- In one day, the banking stock lost about 4%, following the CBN regulations
- Major banks under forbearance saw steep sell-offs as investors feared diminishing returns
- Investors' sentiment may be cautious at first, but focus will likely shift to fundamentals and valuation

# STOCK MARKET RESPONSE

Return on Investment



NGX Vs. 90-Day TBills



- NGX started slow, dipped in March, but rallied strongly by mid-year
- The return to profitability in key sectors, reduced FX pressure, and made Nigerian equities increasingly competitive in 2025
- T-bills remain a reliable low-risk option but may become less attractive if yields continue to decline



# NGX VS PEERS IN H1'2025



Ghana's stock exchange outperformed its peers as banks, following post-debt restructuring, resumed dividend payments and reported stronger earnings with improved balance sheets

| Market  | H1'25 Return | Driver  |
|---------|--------------|---|
| S&P 500 | ↑ 4.96%      | <ul style="list-style-type: none"><li>• Trump tariffs barrage exposed the US stock market to volatilities and market correction</li><li>• Israel-Iran conflict mounts more pressure on market sentiment</li></ul>   |
| NGX     | ↑ 16.6%      | <ul style="list-style-type: none"><li>• Return to profitability in key sectors, reduced FX pressure</li><li>• Optimistic investor sentiment driven by attractive dividend</li></ul>   |
| SSE     | ↑ 5.98%      | <ul style="list-style-type: none"><li>• Tariff-induced volatility drove a global selloff</li><li>• Chinese government intervened with trade caps, stock buybacks</li><li>• Benefited from enthusiasm around AI breakthroughs like “DeepSeek,”</li></ul>                                 |
| JSE     | ↑ 14.67%     | <ul style="list-style-type: none"><li>• Ongoing U.S.–South Africa relations and potential tariff adjustments</li><li>• Progress in infrastructure reform, particularly Eskom and energy stability</li><li>• Fundraising and IPO pipeline tapping into renewed market optimism</li></ul> |
| GSE     | ↑ 27.82%     | <ul style="list-style-type: none"><li>• Post-debt restructuring, banks resumed dividend payouts and showed improved earnings and balance sheet strength</li><li>• A rot away from bonds into equities</li><li>• Promising wave of corporate listings and structural reforms</li></ul>   |
| NSE     | ↑ 24.25%     | <ul style="list-style-type: none"><li>• Kenya Airways relisting boosted aviation sector trading and market liquidity</li><li>• MSCI inclusions attracted global investment inflows</li></ul>  |



# OUTLOOK-H2'2025 (EQUITIES OR FIXED INCOME)

Investor sentiment will be driven by earnings performance, GDP growth, interest rate movement, dividend yields, regulatory shocks, and stock-specific events

## Nigerian Stock Market

Declining fixed income yields will prompt investors to flock to equities

Improved corporate earnings, especially from telecoms FMCGs and brewers

Decline in FX losses as naira stabilized; positive for import-heavy firms

The decline in banking stocks caused by regulatory restrictions on dividend payments is expected to be short-lived

## Nigerian Fixed Income Market

Capital preservation will remain priority for conservative investors

Higher interest rates decreases the value of expected future cash flows

The goal is to maximize return and minimize risk-Spread your risk

**A Mix of Both is Required**

Investors should increase diversification to less risky and more attractive asset classes (bonds, treasury bills)

Diversify between the short and long end side of the curve

Investors are likely to return to the sector in search of liquidity opportunities.

Tariff increases will allow firms to pass costs to consumers, preserving profit margins.

Lower inflation expectations will begin to shift money from fixed income to equities

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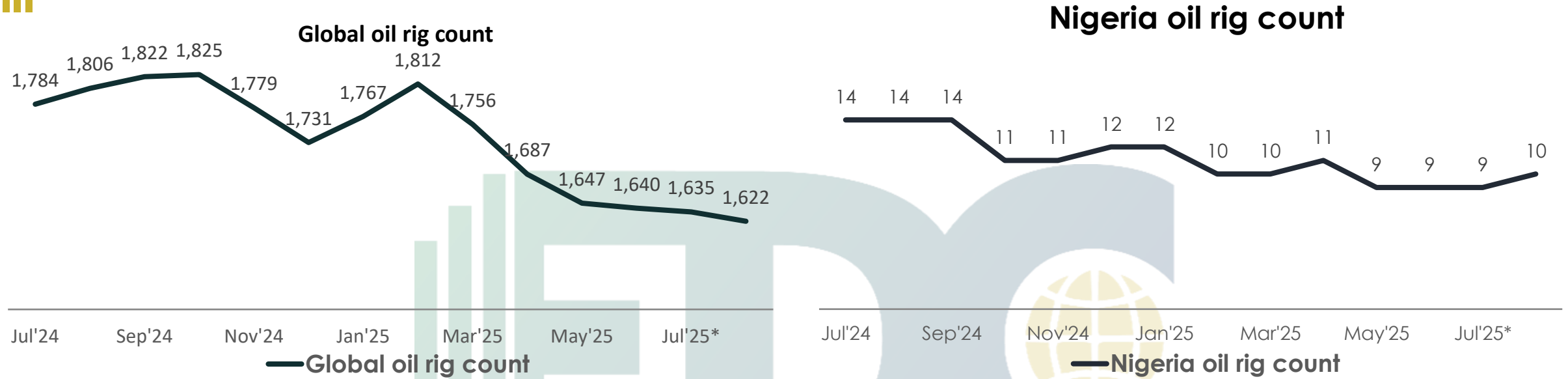
5



# PROXIES & THE NEW ECONOMY

# ***PROXIES***

# GLOBAL Vs. NIGERIA OIL RIG COUNT



- Global oil rig count declined further in May to 1,647, a 2.37% fall from 1,687 in April
- The drop was likely driven by private operators, who tend to respond faster to price swings
- Similarly, Nigeria's oil rig count decreased by 22.2% to 9 in May from 11 recorded in April
- Signalling underinvestment, and likely due to the fluctuation in global oil prices
- Resulting in reduced investment and rig activity
- Rig count is expected to increase as indigenous operators are ramping up on-shore & shallow water drilling

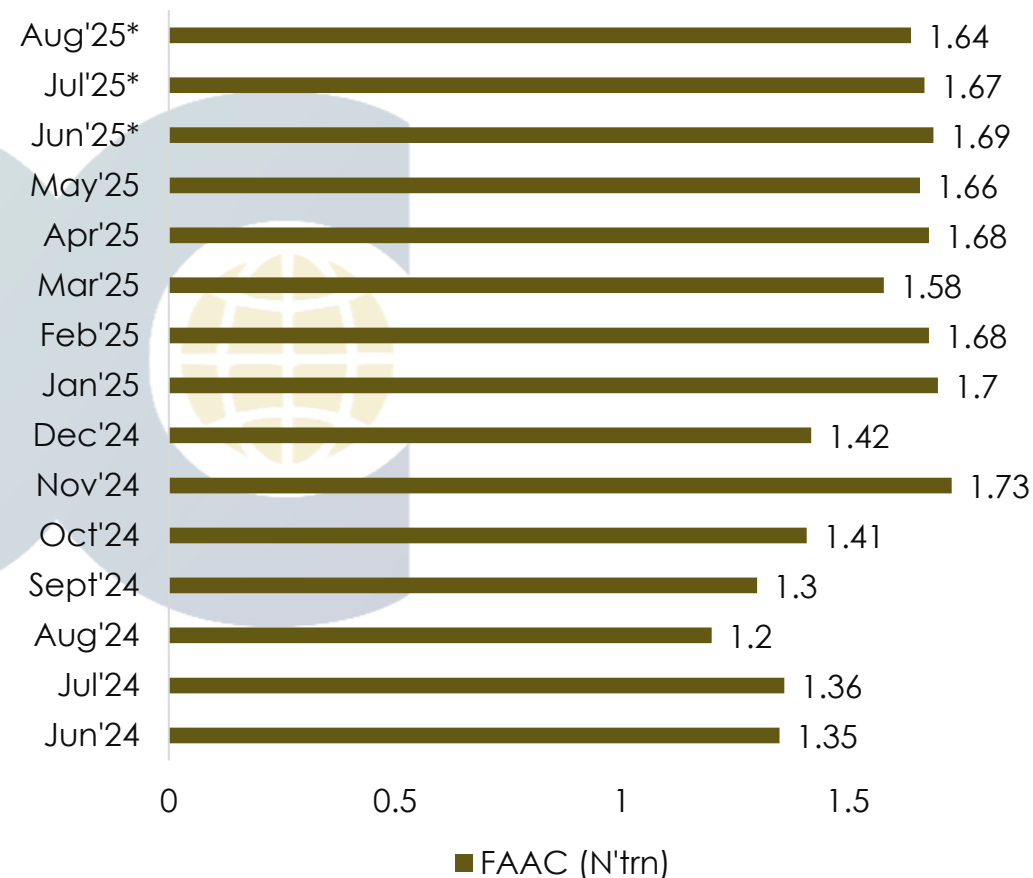




# FAAC FELL marginally in May, BUT WILL INCREASE IN JULY

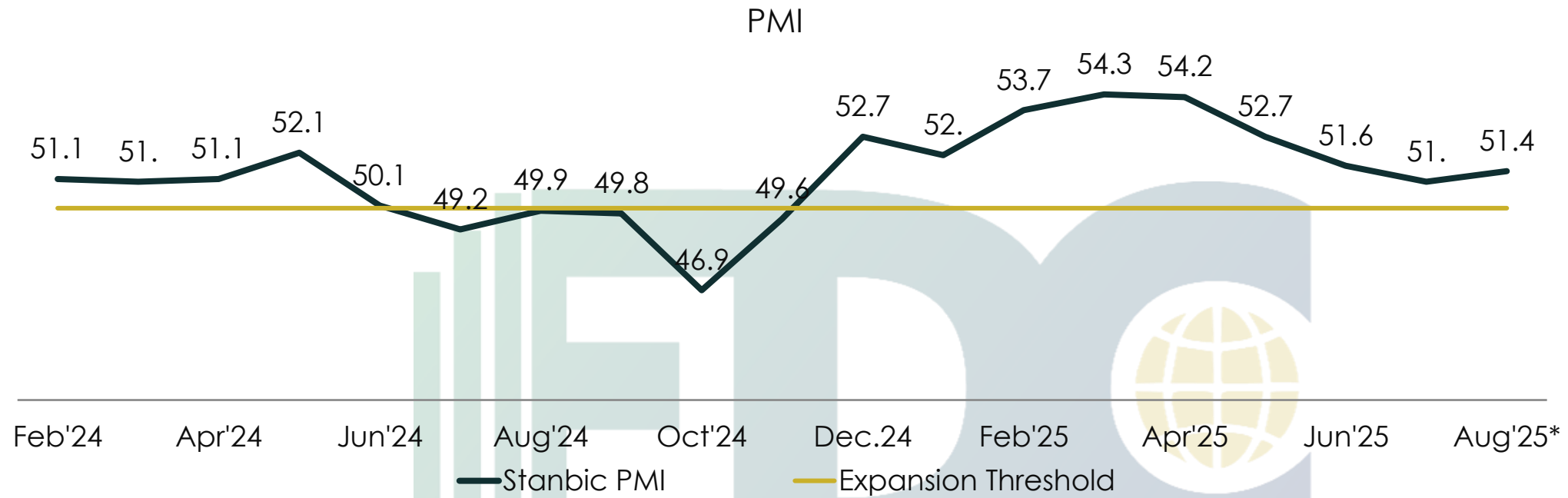
- FACC plunged to N1.66trn in May, a 1.19% decline from N1.68trn recorded in April
- Company income tax, VAT and import duty witnessed a significant increase
- However, petroleum profit tax, oil & gas royalty, CET levies and EMTL recorded declines
- FAAC allocations are expected to increase in June, supported by the surge in global oil prices recorded during the month.

**FAAC Disbursement (N'trn)**





# PMI RECORDED A SLOWDOWN IN JUNE – TREND TO CONTINUE IN JULY



- PMI fell by 2.09% to 51.6 in June from 52.7 in May
- Although in the expansion region, output growth declined to a seven-month low
- Largely due to a fall in manufacturing production amid tepid demand
- The new rule on C.P's will impede borrowing in the debt market
- MPC will reduce MPR by 25bps

# SHIPS AWAITING BERTH

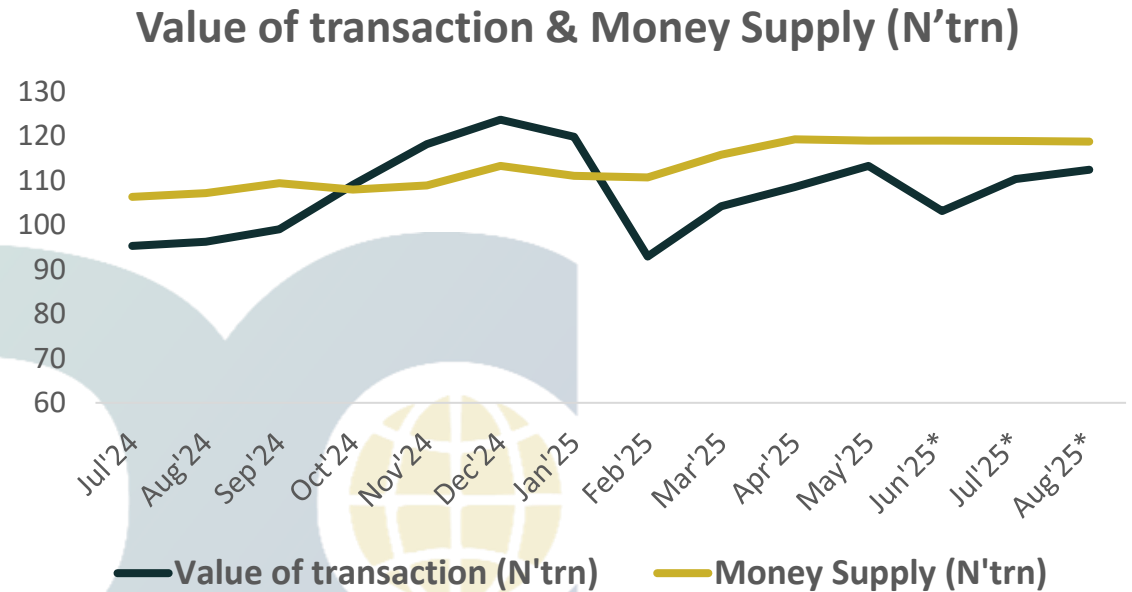
| Ports               | Apr'25    | May'25    | Jun'25    |
|---------------------|-----------|-----------|-----------|
| Lagos-Apapa         | 4         | 7         | 6         |
| Lagos-Tincan        | 7         | 2         | 5         |
| Calabar Port        | 0         | 0         | 1         |
| Warri Port          | 2         | 2         | 2         |
| Onne Port           | 0         | 0         | 0         |
| Rivers Port         | 0         | 0         | 0         |
| Lekki Deep Sea Port | 6         | 6         | 6         |
| <b>Total</b>        | <b>19</b> | <b>17</b> | <b>20</b> |

- Approximately 85% of the activities are concentrated in Lagos
- Due to poor road infrastructure
- Ships awaiting berth up by 17.6% to 20
- Importers are purchasing goods for Q4 and Xmas



# VALUE OF TRANSACTIONS

| Mode of payment | May'25 (N'trn) | Jun'25 (N'trn) | Change (%)   |          | Jul'25* (N'trn) |
|-----------------|----------------|----------------|--------------|----------|-----------------|
| NIP             | 103.72         | 92.97          | -10.36       | ↓        | 107.01          |
| POS             | 4.33           | 5.62           | 29.79        | ↑        | 4.98            |
| NEFT            | 4.94           | 4.35           | -11.94       | ↓        | 6.06            |
| CHEQUES         | 0.298          | 0.253          | -15.10       | ↓        | 0.291           |
| <b>Total</b>    | <b>113.3</b>   | <b>103.19</b>  | <b>-8.92</b> | <b>↓</b> | <b>118.34</b>   |



$$PT = M \times V$$

- Value of transactions dropped across all channels in June except PoS
  - Lost 8.92% to N1103.19 from N113.3 recorded in May
- Reflecting a reduction in sales and the level of activities
- While the marginal propensity to save (MPS) increases

Policy → Savings ↑ → Consumption ↓ → Level of activities ↓ → Velocity of money ↓



## All-in-One Platform for Smarter Investment Planning

As we gear up for 2025, the financial landscape demands precise and informed planning. With InfoWARE Market Data Terminal (IMDT), you gain exclusive access to tools and insights that make planning seamless and effective, like:

- **2024 12-Month Inflation Chart**
- **Top 10 Best Performing Stocks in 2024**
- **Mutual Fund Performance Insights**
- **Market Forecasting Tools**

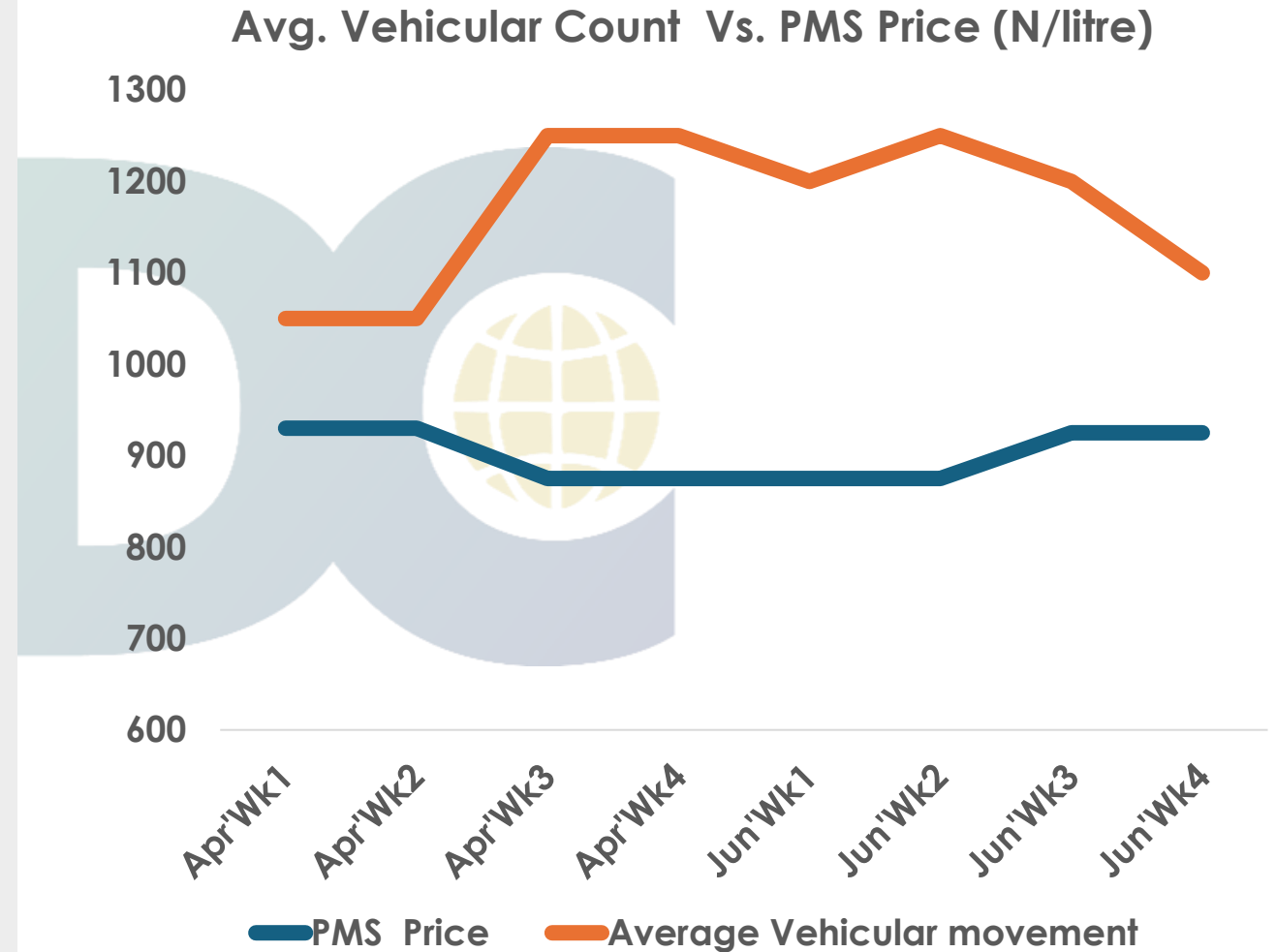
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# VEHICULAR TRAFFIC DATA - SENSITIVE TO PMS PRICE CHANGES

- In April, as prices dropped by 5.91% to ₦875/litre from ₦930/litre, traffic rose by 19.0.5% to 5,000 from 4,200
- A similar trend occurred in June: vehicle count fell from 4,900 to 4,300 as prices rose from ₦875 to ₦925
- There is an inverse relationship between PMS price and vehicular count
- With Correlation of **-85%**
- **A 1% increase in PMS price will lead to a 2.11% reduction in vehicular count**



# RETAIL FOOTFALL ANALYSIS - SUPERMARKETS

- A visit to a supermarket in Victoria Island revealed shifting customer patterns

- Grocery purchases increased
- Household goods, TVs, refrigerators, and other electronic items dropped sharply
- Consumers are saving more and spending less

## □ Consumer Behavior Shift

- Shoppers are now more price-sensitive
- Luxury or non-essential purchases have reduced
- Essentials are prioritized
- Discounts help, but do not fully restore sales volumes

## Foot fall in the malls

2,000–3,000  
daily last month

40% ↓

1,000–2,000  
currently



# ***THE NEW & DIGITAL ECONOMY***

# ***Hospitality & Aviation***



# SLOWER AIR PASSENGER GROWTH IN MAY - IATA



## North America / USA

- Only region with declining demand
- -0.5% overall, driven by -1.7% drop in U.S. domestic travel
- Slump linked to anti-migration and foreign education policies

## Asia / Asia-Pacific

- Leading global recovery
- +13.3% international growth for Asia-Pacific airlines
- China's domestic market accelerating, month after month

## Africa

- Strong growth: +7.5% overall
- +9.5% international travel for African airlines
- Fastest-growing route: Africa-Asia (+15.9%)

Signals softening consumer demand & caution in the U.S.

Asia is the engine of air travel growth with full planes & rising demand

Africa is rising in global air travel



# OPERATORS Vs. PUBLIC - A WINDOW TO AVIATION SECTOR'S CRACKS

- In June, Air Peace Passengers were denied boarding despite early arrivals and online check-in
- Air Peace was accused of overbooking, early gate closure, and reselling seats at higher prices.
- The incident sparked protests and a federal probe led by the Aviation Minister.
- Poor infrastructure, weak operations, and administrative lapses are hurting the passenger experience.
- Service failures damage trust, erode loyalty, and may scare off aviation investment





# EXCHANGE RATE SENSITIVITY AND AIR TRAVEL DEMAND

- Nigeria handled around 15.6mn air passengers in 2024, 1.27% below 15.8mn in 2023
- International traffic increased by 27% reaching 4.14mn passengers
- Outbound travel dropped nearly 60% in early 2024 vs. 2023, due to costly foreign currency and a surge in ticket prices (e.g., US fares rose from ₦350,000 to ₦2.7–₦3 million)
- The recent naira stability, trading within ₦1,550/\$ - ₦1,620/\$ is expected to bolster air demand


| Traveler Type | Sensitivity to Exchange Rate | Impact of Recent Stability                |
|---------------|------------------------------|---|
| Students      | Very High                    | Easier budgeting, less volatility         |
| Professionals | Moderate                     | Predictable business travel budgets       |
| Traders       | High                         | Better planning for travel & transactions |
| Vacationers   | High                         | More predictable holiday planning         |



# AVIATION SECTOR IN THE POST ROAD CONCESSIONING ERA

## The Reality Check

33 Airports — few with regular commercial flights

 ~~N50–N70bn~~ per runway vs. thousands of km of roads

 Road concessioning unlocks mass mobility, trade, access

 Wider reach, bigger impact per naira spent

### More Airports

High cost, low use

Benefits few, mostly elites

May create white elephants

Competes with itself

### Better Roads

Lower cost, mass utility

Reaches traders, workers, students

Boosts commerce, regional links

Complements existing aviation

According to BCG, global spending on leisure travel is expected to triple from \$5 trn a year to \$15 trn by 2040





## ***Connect Everything, Everywhere within one ecosystem***

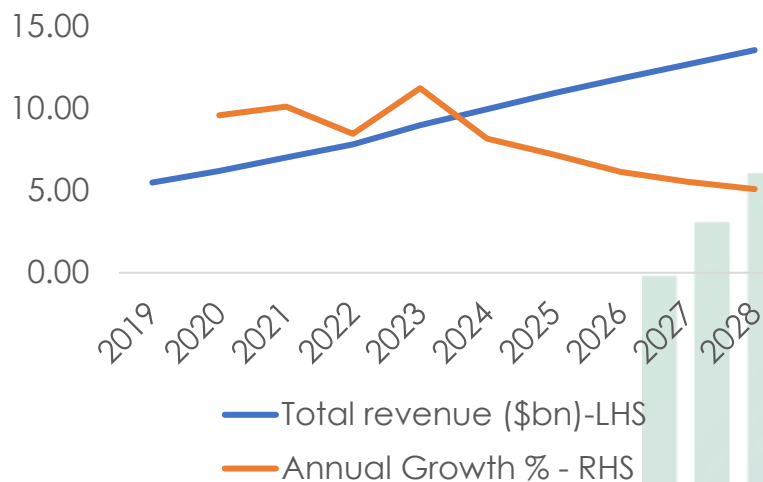
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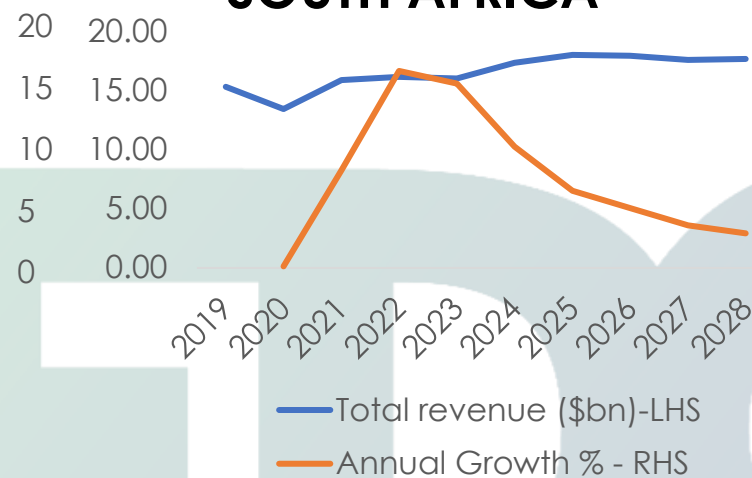
# ***CREATIVE ART***

# ENTERTAINMENT & MEDIA INDUSTRY IN AFRICA

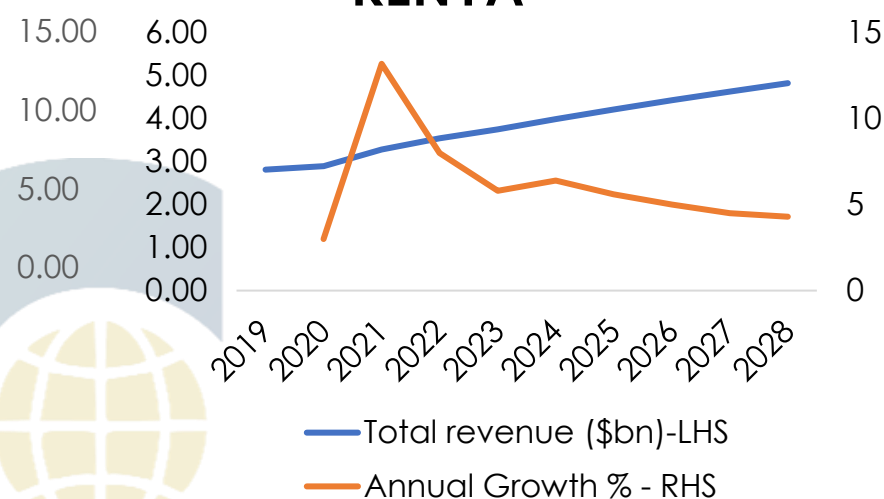
## NIGERIA



## SOUTH AFRICA



## KENYA



- Nigeria is Africa's fastest-growing E&M market with a projected CAGR of 8.6%, ahead of Kenya (5.2%) and South Africa (4.2%)
- In 2023, Nigeria posted 15% annual growth, driven by mobile expansion and digital content demand
- Nigeria's youthful population and digital ecosystem make it Africa's top destination for E&M investment.

# MAJOR HIGHLIGHTS IN H1'25

- Music exports surged by 49%, fueled by global demand for Afrobeats icons like Burna Boy, Tems, and Rema.
- Digital content revenue grew 28% (y-o-y), with Nigerian creators exceeding 1.5 billion combined views on YouTube and TikTok.
- Nollywood grossed ~~N~~\$3.5bn (\$2.7mn) in Q1'25, reflecting box office growth and rising international distribution.
- YouTube emerged as a key film platform, boosting local production and access due to its affordability and reach.
- Creative tech startups raised \$40mn, with capital flowing into music tech, animation, and virtual event platforms.
- Global visibility rose, as Ayra Starr won BET's Best International Act, Wizkid sold out the Hollywood Bowl (\$248 avg. ticket), and Fela Kuti joined the Grammy Hall of Fame.





# EXPORTING SOUND - NIGERIA'S MUSIC INDUSTRY ON THE GLOBAL STAGE

| Artist & Venue                     | Attendance | Ticket Revenue                |
|------------------------------------|------------|-------------------------------|
| Burna Boy – London Stadium         | 80,000     | £5M–£7M (~\$6.3 to \$8.8M)    |
| Burna Boy – Paris La Défense Arena | 36,585     | \$2.86M                       |
| Burna Boy – Madison Square Garden  | 20,789     | \$1.58M to \$1.6M             |
| Wizkid – Tottenham Hotspur Stadium | 60,000     | £3.6M–£4.8M (~\$4.5M to \$6M) |
| Wizkid – O2 Arena (3 nights)       | 20,000/day | N5.2B (~\$12.6 M total)       |

- Burna Boy and Wizkid are the first African artists to headline and sell out major global arenas.
- Rapid ticket sell-outs (O2 Arena in 12 minutes) reflect global demand for Nigerian music
- Concerts drive revenue across tourism, merchandise, and streaming.
- Afrobeats is now a global genre, reshaping music influence worldwide.
- Live-streamed shows amplify global reach beyond physical audiences.
- These milestones have redefined how African talent is viewed on the global stage

6



# POLITICS & OUTLOOK



# ***POLITICAL UPDATE***



# POLITICAL UPDATE

- APC consolidation will continue with some pushback
- The disconnection between the political elite and the masses will continue
- Macroeconomic pressure will force a change in the policy implementation strategy
- The Anambra State election is almost a foregone conclusion
- The insecurity in the North Central will be a major drawback for the party in power
- **Splintering** in the opposition coalition and squabbling in the incumbent party will persist
- The APC will appoint a chairman from the North Central
- So also, with the alliance or coalition
- The electoral race at this time looks like a one trick pony
- But as they say, ***“24 hours is a long time in politics”***

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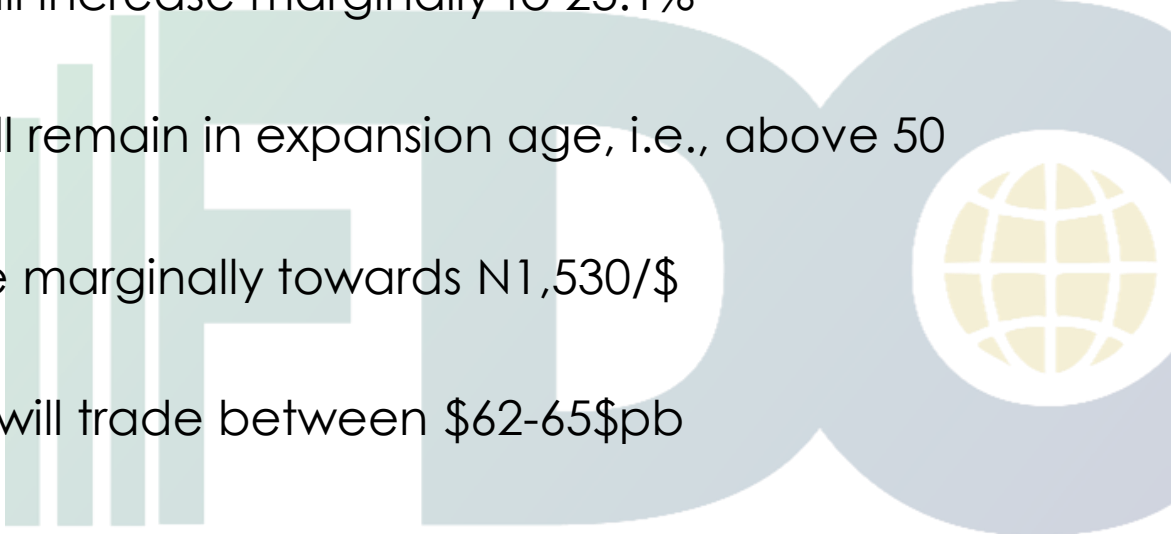
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# ***OUTLOOK FOR JULY***



# OUTLOOK FOR JULY

- Money supply growth will fall to 17%
  - Inflation data for June will increase marginally to 23.1%
  - PMI will fall slightly but will remain in expansion age, i.e., above 50
  - The Naira will appreciate marginally towards N1,530/\$
  - The average price of oil will trade between \$62-65\$pb
  - OPEC+ will increase production quota by 411,000mbp
  - Temperature will remain at the second level average in the northern hemisphere
- 



# OUTLOOK FOR JULY

- Interbank opening position will increase to an average of N1.3trn long
- NGX will gain 2-3% as Q2 results are released
- Most DMBs will pay off their forbearance facilities at the CBN
- Banking stocks will decline in July as investors reduce their exposures
- Airline load factors will increase sharply towards 85% for outbound and international flights
- Discount fares will kick in, especially to the Middle East and Europe
- Retail price of petrol will fall to ~~N~~880/litre





Inflation is like sin; every government denounces it and every government practices it

**-Frederick Leith-Ross**

The secret of staying young is to live honestly, eat slowly, and lie about your age.

**-Lucille Ball**

You can't shine like a diamond if you're not willing to get cut like a diamond.

**- Eric Thomas**





A pessimist is a person who has had to listen to too many optimists.  
- **Don Marquis**

The best thing about the future is that it comes one day at a time.  
- **Abraham Lincoln**

Whoever said money can't buy happiness didn't know where to shop.  
- **Gertrude Stein**



Every politician has a promising career. Unfortunately, most of them do not keep those promises.

**- Jarod Kintz**

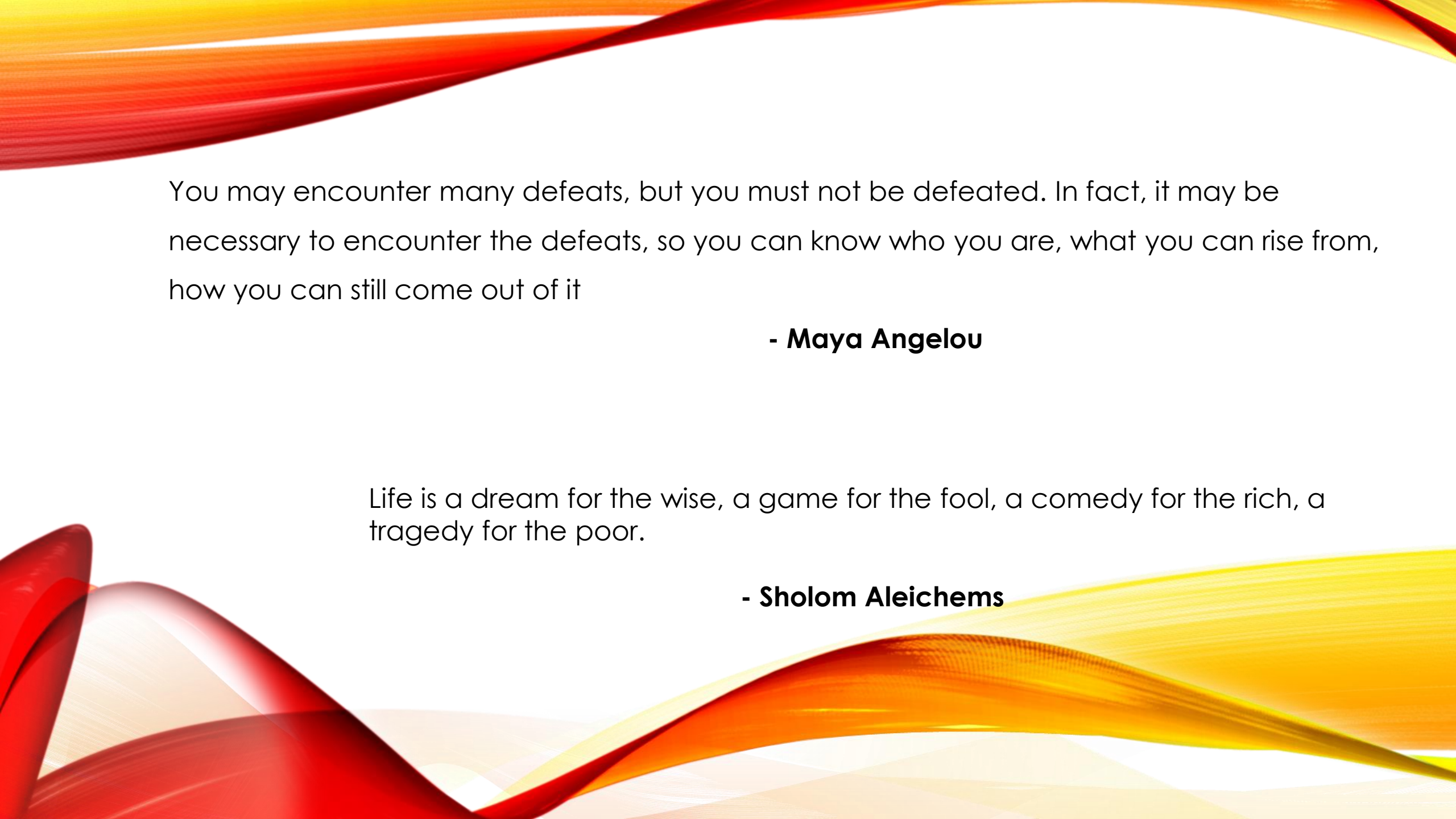
Everything is changing. People are taking their comedians seriously and the politicians as a joke.

**-Will Rogers**

You cannot soar with the eagles as long as you hang out with the turkeys.

**- Joel Osteen**






You may encounter many defeats, but you must not be defeated. In fact, it may be necessary to encounter the defeats, so you can know who you are, what you can rise from, how you can still come out of it

**- Maya Angelou**

Life is a dream for the wise, a game for the fool, a comedy for the rich, a tragedy for the poor.

**- Sholom Aleichems**



At every party there are two kinds of people – those who want to go home and those who don't. The trouble is, they are usually married to each other.

– **Ann Landers**

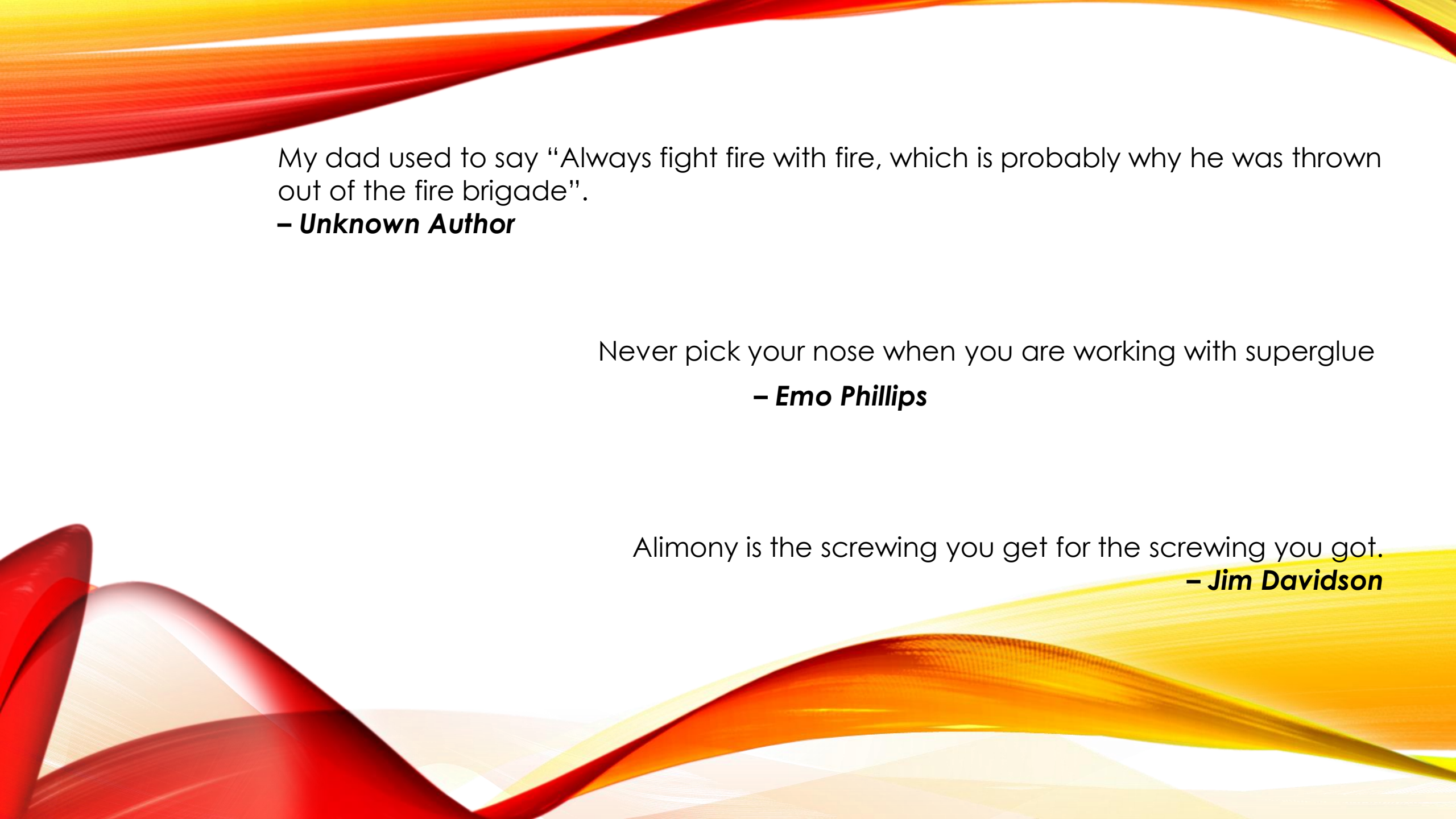
What do a Christmas tree and a priest have in common? Their balls are just for decoration.

– **Graham Norton**

The longer the title, the less important the job.

– **George McGovern**





My dad used to say “Always fight fire with fire, which is probably why he was thrown out of the fire brigade”.

– ***Unknown Author***

Never pick your nose when you are working with superglue

– ***Emo Phillips***

Alimony is the screwing you get for the screwing you got.

– ***Jim Davidson***





The difference between divorce and legal separation is that a legal separation gives a husband time to hide his money.

**– Johnny Carson**

I never hated a man enough to give his diamonds back.

**– Zsa Zsa Gabor**

The only advantage of being an adult is that you can eat your dessert without having eaten your vegetables.

**– Lisa Alther**





Before a marriage a man declares that he would lay down his life to serve you. After marriage, he wont even lay down his newspaper to talk to you.

– **Helen Rowland**

Men are superior to women. For one thing, men can urinate from a speeding car.

– **Will Durst**

A wise woman puts a grain of sugar into everything she says to a man, and takes a grain of salt with everything he says to her.

– **Helen Rowland**



Adultery is the application of democracy to love.

**– H.L. Mencken**


A man is designed to walk three miles in the rain to phone for help when the car breaks down and a woman is designed to say “you took your time” when he comes back dripping wet.

**– Victoria Wood**

Can you imagine a world without men? No crime and lots of happy fat women.

**– Nicole Hollander**





My grand parents told me “finish your dinner, people in China and India are starving” I tell my daughters “finish your homework, people in India and China are starving for your job”

**– Tom Freidman**

A neutral friend is the same thing as an enemy during a conflict.

**– Unknown Author**

The only time to eat diet food is while you are waiting for the steak to cook

**– Julia Child**



THANK YOU

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08148894309