

**Global Updates**

Preliminary data in the US showed that the US consumer sentiment declined to 73.20 in January 2025 from December's 74.00, missing expectations of 73.80, as the expectations sub-index fell sharply to 70.20 from 73.30, despite a slight improvement in the current conditions gauge. This divergence highlights easing short-term concerns over the cost of living but heightened anxiety about future inflation. Long-run inflation expectations also rose to 3.30%, marking a rare and significant one-month jump. The sentiment dip reflects growing uncertainty about inflation's trajectory, which could weigh on consumer spending and overall economic momentum in the near term.

China's consumer prices rose by a marginal 0.20% YoY in 2024, marking a continuation of weak inflation for the 13th consecutive year, well below the 3.00% target. This rise was primarily driven by a modest rise in core inflation which rose by 0.40% in December, up from 0.30% in November, marking the highest level in five months. This modest increase can be attributed to China's ramped-up fiscal stimulus, including a record USD411.00bn special treasury bond issuance and incentives to spur consumption. However, persistently weak domestic demand—stemming from job insecurity, a prolonged property downturn, mounting debt, and tariff concerns tied to US policy shifts—slowed down inflationary pressure. With the ongoing property sector struggles and cautious consumer behaviour, inflationary pressures are expected to remain subdued, contingent on the efficacy of fiscal efforts in 2025.

Additionally, Ghana's annual consumer inflation rose for the fourth consecutive month in December 2024, reaching 23.80%, up from 23.00% in November. This marks the highest inflation rate since April 2024. The increase was primarily driven by rising food and non-alcoholic beverage prices, which accelerated to 27.80% from 25.90% in the prior month. Meanwhile, non-food inflation provided some relief, easing marginally to 20.30% from 20.70%. In the near term, we expect inflationary pressures to persist as food prices continue to exert upward momentum, further compounded by continued volatility in the exchange rate. The central bank is expected to adopt a hawkish stance in its monetary policy to manage these risks.

**Domestic Updates**

The Central Bank of Nigeria (CBN) has suspended approvals for the extension of export proceeds repatriation for both oil and non-oil exporters, effective January 8, 2025. This move is intended to enhance forex inflows, enhance liquidity in the foreign exchange market and support the stability of the naira. By eliminating the option for extensions, the CBN aims to address concerns over delays in repatriating export proceeds, which have negatively impacted Nigeria's forex reserves. While this policy is expected to increase forex inflows and foreign exchange reserves, contributing to a more stable currency environment in the medium term, it may also pose challenges for export-dependent sectors by tightening liquidity.

The National Bureau of Statistics (NBS) rebased Nigeria's GDP to 2019 from 2010, to provide a more accurate representation of the Nigerian economy. Key inclusions in the rebase are the digital economy, modular refineries, and informal labour, areas that were previously underrepresented. Similarly, the Consumer Price Index (CPI) was also updated with a new reference period of 2024 from 2009, an expanded basket of goods (increasing from 740 to 960 items), and refined weighting to improve the accuracy of inflation measurement. This adjustment was made in order to capture current spending patterns, particularly the growth of digital and e-commerce activities. In our view, we believe that these rebase activities which will be reflected in the coming reports will fully represent the current structure of Nigeria's economy and enhance inflation measurement by providing a more precise picture of price changes and consumer spending patterns.

The CBN has introduced two new accounts for Nigerians in the diaspora: the Non-Resident Nigerian Ordinary Account (NRNOA) and the Non-Resident Nigerian Investment Account (NRNIA). The NRNOA allows Nigerians abroad to remit foreign earnings to Nigeria and manage funds in both foreign and local currencies, while the NRNIA enables them to invest in Nigerian assets, including participating in diaspora bonds. This move is designed to improve diaspora access to Nigerian economic opportunities. In our view, this development is expected to boost remittance inflows, increase diaspora investment in Nigerian assets, enhance financial inclusion, and reduce reliance on intermediaries, contributing to economic growth and financial stability.

Lastly, the Petroleum Products Retail Outlet Owners Association of Nigeria (PETROAN) has signed an agreement with Claridge Petroleum, Oasis Petrochemical Products, and Afrinet to establish a 50,000 barrels per day refinery in Akwa Ibom. This partnership marks a shift from PETROAN's previous plan to import cheaper fuel, as the focus now is on local production to ensure affordable fuel for Nigerians. The refinery, which will be funded by the partnering companies, is expected to strengthen domestic fuel supply, with PETROAN assuming control over product pricing and distribution. This move aligns with the broader strategy to end fuel imports, although it may take 3-5 years for the refinery to become operational. The agreement underscores PETROAN's commitment to expanding local refining capacity and reducing dependency on imported fuel, offering long-term improvements to the energy sector's sustainability.

**Market Updates**

The local bourse ended the week on a positive note as the **NGXASI** gained 1.80% WoW to settle at 105,451.06 pts, bringing its year-to-date (YTD) gains to 2.45%. However, across sectoral indices under our coverage, performance was predominantly bearish as **NGXINS** (-6.51% WoW), **NGXNSRGRDS** (-0.34% WoW), **NGXKOLGAS** (-0.34% WoW), and **NGXINDUSTR** (-0.26% WoW) index closed in the red zone. However, only the **NGCBNK** (+1.94% WoW) closed positive. Top gainers for the week were **MULTIVERSE** (+53.42%), **HOFFYFOUR** (+31.67%), **DAARCOMM** (+25.71%), **MTNN** (+21.00%) and **NCR** (+20.66%) while, **SUNUNASSUR** (-36.52%), **CAVERTON** (-15.00%), **CONMALLPC** (-15.00%), **RTRISCO** (-14.32%), **JAIZBANK** (-10.77%) topped the losers' chart for the week. Trading activity rose notably, as the total volume and value traded up by 37.90% WoW and 1.86% WoW, reaching 3.60bn units and NGN71.00bn respectively. **UNIVINSURE** was the most traded by volume, while **GEREGU** led in value traded.

During the week, the CBN issued a total of NGN515.00bn in treasury bills across three maturities: 91-day, 182-day, and 364-day. The subscription-to-offer ratio rose to 2.95x, compared to the previous auction. The entire NGN515.00bn was allotted, with stop rates for the three maturities set at 18.00%, 18.50%, and 22.62%, respectively, compared to 18.00%, 18.50%, and 22.93% in the previous auction.

The secondary fixed-income market exhibited mixed performance: average yields on bonds increased by 8bps to 19.86%, while average yields on treasury bills declined to 25.38% (compared to 19.78% and 25.82% in the previous week, respectively).

The Eurobond market ended the week on a bearish note, with the average yield increasing by 3bps to 9.52%, up from 9.49% the previous week. This uptick was mainly due to mild sell-offs in the NOV-27, SEP-28, MAR-29, FEB-30, and JAN-31 maturities.

**Alternative Assets**

Gold prices advanced on Friday, poised for weekly gains of 1.80% in spot and 2.70% in futures, driven by heightened safe-haven demand amid persistent macroeconomic uncertainty. Stronger-than-expected US payroll data, which showed 256,000 jobs added in December, prompted a reassessment of the Federal Reserve's policy outlook, with markets now anticipating only one rate cut by late 2025. The Fed's December minutes underscored concerns over sticky inflation and policy risks associated with upcoming protectionist measures under the incoming administration. However, further upside was constrained by a firmer dollar and the Fed's cautious stance. Meanwhile, copper prices gained one operationate cut by late 2025. The Fed's December minutes underscored concerns over sticky inflation and policy risks associated with upcoming protectionist measures under the incoming administration. However, further upside was constrained by a firmer dollar and the Fed's cautious stance. Meanwhile, copper prices gained one operationate cut by late 2025. The Fed's December minutes underscored concerns over sticky inflation and policy risks associated with upcoming protectionist measures under the incoming administration. However, further upside was constrained by a firmer dollar and the Fed's cautious stance.

In the oil commodity space, oil prices surged on Friday, heading for a third consecutive weekly gain, as demand expectations rose amid a polar vortex sweeping across the U.S. and Europe, coupled with concerns over potential supply disruptions from impending U.S. sanctions on Russia's oil industry. Brent climbed 4.00% to USD79.95 per barrel, while WTI gained 4.2% to USD77.00/bbl. Cold weather-driven demand for heating fuels, combined with geopolitical risks, underpinned sentiment, despite lingering weak product demand signals from U.S. inventory builds. Additionally, expectations of increased Chinese travel demand ahead of the Lunar New Year and

**Market Performance**

Index	This Week	Previous Week	YTD
NGXASI	105,451.06	103,988.33	1.80%
Volume (Tn)	3,600	2,611	37.90%
Value (Tn)	71,000	69,771	1.86%
Mkt. Cap. (Tn)	64,311	63,082	2.05%
Market Breadth	1,574	1,352	-88.66%

Index	WTD	MWD	YTD
NGXNSRGR	-1.94%	3.11%	3.11%
NGXNSRGRDS	-0.34%	0.34%	-0.34%
NGXKOLGAS	-0.34%	-0.86%	-0.86%
NGXINS	-6.51%	9.89%	9.89%
NGXINDUSTR	-0.26%	0.65%	0.65%
NGXASD	1.80%	2.45%	2.45%
MERU-TELECO	2.56%	2.53%	2.53%
MERU-AGRIC	0.16%	-0.03%	-0.03%

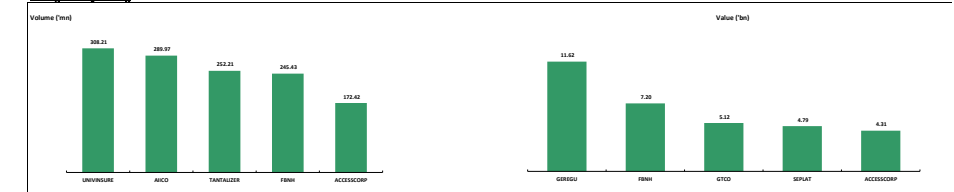
  

Other Indices	WTD	MWD	YTD
NGX-30	2.19%	2.53%	2.53%
NGX-PENSION	2.79%	3.62%	3.62%

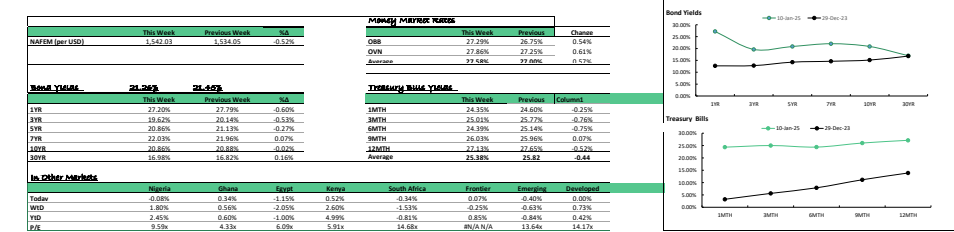
**Market Profiles**



**Volume Trading Activity**



**Bond Yields**



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