MACROS AND MARKET INSIGHT

APRIL 2025

Macros

Recovery Stalls as Price Pressures and Oil Slump Bite

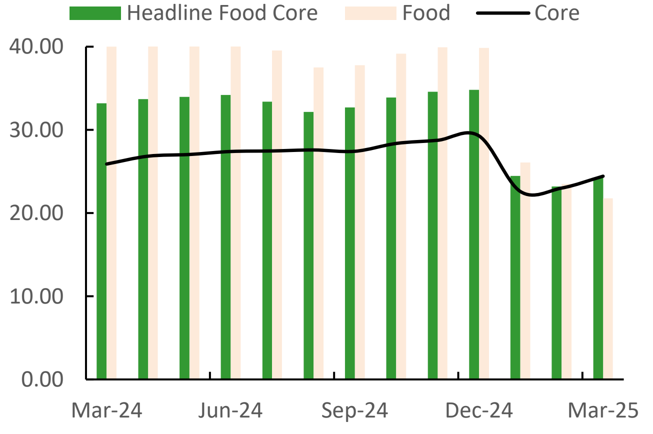
In April, the domestic economy grappled with rising inflation—the first increase since rebasing—steep year-to-date lows for the Naira, continued declines in oil output, and the IMF's downward revision of Nigeria's growth forecast.

According to the National Bureau of Statistics (NBS), Nigeria's headline inflation increased for the first time this year to 24.23% YoY in March 2025 from 23.18% in February 2025. This was primarily driven by an uptick in core inflation to 24.43% YoY offsetting the slowdown in food inflation. The rise in core inflation was driven by higher costs in the clothing & footwear, health, transformation, and communication segments. The rise in prices can be linked to the depreciation of the Naira in March 2025 (-4.21 MoM), which exacerbated import costs.

Food inflation however, slowed down to 33.10% YoY (Vs. 34.74% in February) owing to continued moderation in the prices of key staples such as yam, rice, beans, potatoes and maize. On a monthly basis, headline inflation, food inflation and core inflation rate surged to 3.90% MoM, 2.18% MoM and 3.73% MoM respectively (Vs. 2.04%, 1.67% and 2.52% in February)

In the near term, we anticipate continued stability in food prices, hinged on sustained robust supply and imports, though Easter-related demand may drive a temporary uptick. However, potential supply-chain disruptions could destabilize commodity markets and push domestic food inflation higher. Meanwhile, core inflation is likely to stay elevated as higher import costs persist. Moreover, weak oil revenues due to falling global oil prices could undermine FX liquidity, fueling exchange-rate swings and steeper import bills.

Chart 1: Trend in Headline, Food & Core Inflation (YoY % Change)



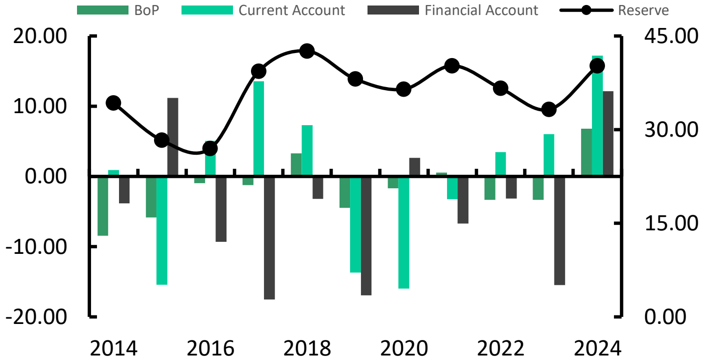
Source: NBS, Meristem Research

Also, in April, the Central Bank of Nigeria (CBN) announced a balance of payments (BOP) surplus of USD6.83bn in 2024 from a deficit of USD3.34bn in 2023, marking its first surplus in three years. This turnaround was primarily driven by improved trade performance as gas and non-oil exports rose 48.30% and 24.60% YoY respectively. Additionally, petroleum products and non-oil imports declined by 23.20% YoY and 12.60% YoY respectively, this contributed to a surplus current account. The drop in fuel imports reflects the impact of the Dangote refinery, while the depreciation of the Naira curbed demand for non-oil imports. Together the current and capital account posted a surplus of USD17.22bn, up from USD2.59bn in 2023.

The financial account closed at USD12.12bn in 2024 driven by a surge in foreign currency holdings. Foreign portfolio investment soared by 106.50% YoY to USD13.35bn in 2024, supported by higher yields and indicating a strong interest in short-term investments due to attractive rates. On the other hand, foreign direct investment fell by 42.30% to USD1.08bn, reflecting a decline in investor confidence due to domestic macroeconomic challenges. Notably, Nigeria's external reserves increased by USD6.80bn to USD40.19bn in 2024. Overall, the surplus in balance of payment reflects the positive impact of several key monetary reforms and tight monetary policy stance, which improved investor confidence and attraction for Nigerian instruments.

We expect a sustained surplus BOP position driven by reduced petroleum product importation, increased foreign inflows driven by the high interest environment, and higher gas & non-oil exports. However, lower oil export earnings due to weakening global oil prices could moderate the positive impact of other drivers.

Chart 2: Trend in BOP, Current account and FPI



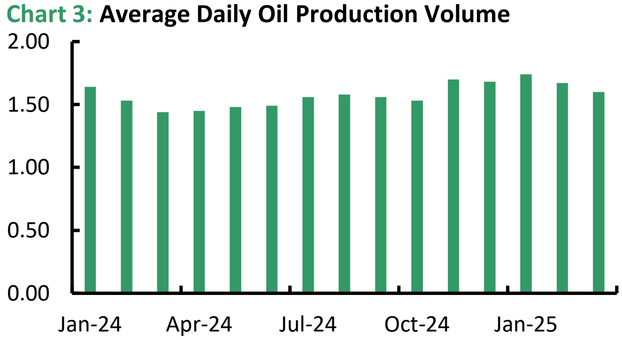
Source: CBN, Meristem Research

Macros

Elsewhere, the Nigerian Upstream Production Regulatory Commission (NUPRC) reported oil production (including condensates) at 1.60mbpd in March 2025, marking a second consecutive month of decline following a peak of 1.74mbpd in January and 1.67mbpd in February. The downturn can be tied to reduced production at key terminals, including QUA IBOE (-16.86%) and FORCADOS (-12.58%), which account for approximately 23% of total crude oil output. This decline in production is also attributed to operational disruptions, including an explosion on the Trans-Niger pipeline, which temporarily halted operations and affected the Bonny terminal. On a quarterly basis, oil production averaged 1.67mbpd in Q1:2025, representing an 8.44% YoY increase from 1.54mbpd in Q1:2024.

Looking ahead, we expect better oil output in 2025, supported by sustained investments and ongoing initiatives to tackle insecurity and pipeline vandalism. Consequently, we anticipate further expansion in the oil sector's GDP in Q1:2025. However, the NUPRC's production target of 2.06mbpd may prove unattainable within the year, given prevailing structural and security constraints.

Chart 3: Average Daily Oil Production Volume



Source: NBS, Meristem Research

During the month, the Internation Monetary Fund (IMF) revised Nigeria's 2025 economic growth forecast downwards from 3.80% to 3.40%, citing global trade tensions and falling oil output. With oil production down to 1.60mbpd, which is well below the 2.10mbpd target in the national budget, the fiscal deficit is expected to widen as spending outpaces revenue by 4.55%. This could dampen investor confidence, reduce investment, and increase unemployment unless swift fiscal and economic reforms are implemented.

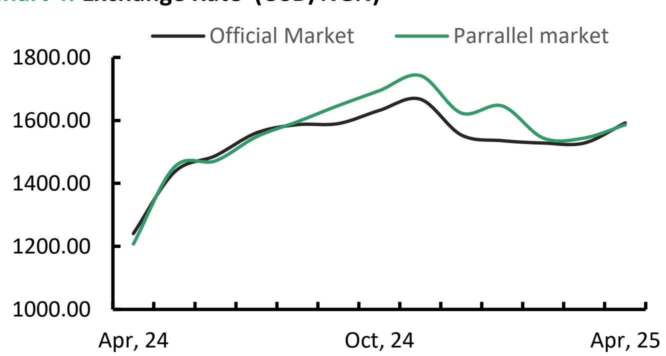
Our 2025 growth outlook remains strong, underpinned by better oil production and broader improvements in economic activity. Furthermore, the anticipated GDP rebasing is expected to support higher growth figures, as the revised estimates will incorporate previously unaccounted-for sectors, boosting the scope of economic activities recorded.

Notably, the CBN reported that net foreign exchange reserves rose to USD23.11bn by the end of 2024, marking a three-year high and a significant recovery from the USD3.99bn recorded in 2023. This was driven by a significant reduction in short-term foreign exchange liabilities, primarily swaps and forward obligations.

During the month, the Naira depreciated by 4.21% MoM to NGN1,593.45/USD, down from NGN1,526.37/USD in March, its weakest level so far in 2025. The sustained decline highlights lingering FX pressures, largely driven by persistent domestic demand for foreign currency. In response, the Central Bank of Nigeria (CBN) intervened with a USD197.71mn injection into the FX market. However, this intervention contributed to a 0.87% MoM decline in external reserves, which settled at USD38.01 billion in April.

While ongoing supply-demand imbalances is expected to persist in the country's exchange rate market, we anticipate relative stability in the Naira, supported by sustained transparency, reforms and CBN interventions in the foreign exchange market. Nonetheless, we highlight the potential impact of declining global oil prices and reduced production volumes, which could constrain liquidity in the FX market and undermine reserve accretion, given the country's reliance on crude oil as its primary source of FX inflow.

Chart 4: Exchange Rate (USD/NGN)



Source: CBN, Meristem Research

Summary of Key Expectations for May;

- *Inflation is expected to moderate, supported by a continued decline in food inflation on the back of strong supply, while core inflation remains elevated due to persistent import cost pressures.*
- *Relative stability in the Naira, backed by improved market transparency and ongoing CBN interventions.*
- *Improved oil production due to improved investments and efforts to curb vandalism.*

Equities

Resilience Amid Mixed Bias

Review

Investors' sentiment towards equity assets improved slightly in April, with investors gaining NGN929.63bn, as the NGX-ASI gained 0.12% MoM (vs. -6.06% in the previous month). From our assessment of market activities, the first three weeks of the month were characterized by lackluster trading, as investors remained cautious. However, the release of Q1:2025 corporate earnings reports towards the end of the month sparked a bullish momentum in the equities market, buoying the overall positive return. As such, the market YTD return advanced to 2.79%. Reflecting the improved sentiment, the market breadth rose to 1.48x (vs 0.75x in March). However, trading volume and value slowed, printing at NGN392.99mn units and NGN12.76bn (vs 547.57mn units and NGN21.62bn in March) respectively.

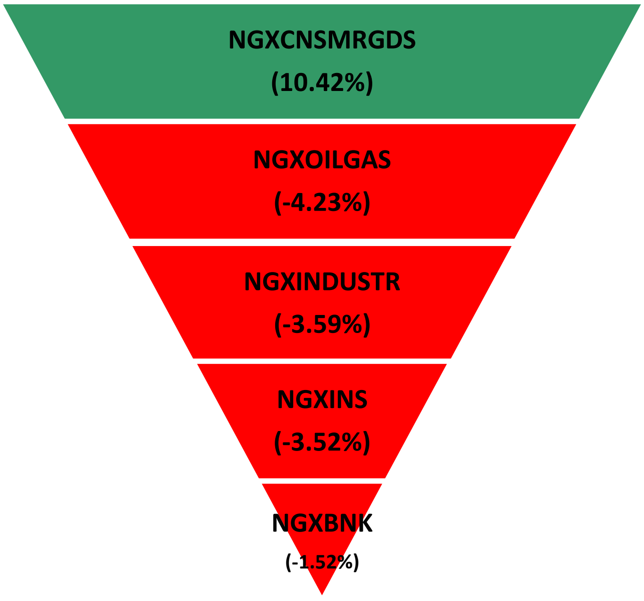
On sectoral performance, we observed notable upward repricing on consumer goods and Banking tickers, attributable to the stronger-than-expected Q1:2025 earnings growth. In our view, the favorable macroeconomic backdrop -compared to Q1:2024- drove topline and tapered costs for players in the real sector. Gleaning from this, investors expectation of impressive 2025FY earnings, spurred buying interest across tickers in the sector. Notable gainers included **INTBREW** (+44.71%), **NB** (+26.10%), **CADBURY** (+23.14%), **UNILEVER** (+11.83%), **NASCON** (8.81%), **ACCESSCORP** (0.67%), and **FIDELITY** (+5.00%). However, losses persisted in some heavyweights and previously active stocks such as **DANGCEM** (-10.00%), **UACN** (-7.04%), and **VFDGROUP** (-60.80%). As a result, only NGXCNSMRGDS recorded gains amongst the sectoral indices (10.42% MoM).

Q1:2025 Earnings Performance across Sectors

Sector	Performance	P/E
Consumer Goods	Strong	100.53x
Oil and Gas	Mixed	6.56x
Industrial Goods	Fairly Strong	15.16x
Insurance	Fairly strong	3.64x
Banking	Strong	1.02X
Agric	Strong	10.25x
Telecoms	Strong	23.61x

Source: Bloombrg, Meristem Research

Chart 5: Sectoral Returns in April 2025



Source: Bloomberg, Meristem Research

Equities

Other Notable Occurrences and Corporate Actions

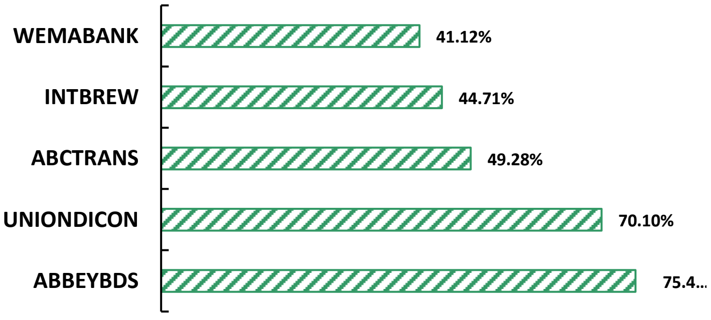
During the month, several bellwether tickers declared dividends reflecting their strong earnings performance. Notably, **UBA** declared a dividend of NGN3.00 per share, **GTCO** at NGN7.03 per share, **ZENITHBANK** at NGN4.00 per share, **FCMB** at NGN0.55 per share, and **ACCESSCORP** at NGN2.05 per share. Outside the banking sector, **WAPCO** announced an interim dividend of NGN4.00 per share, and **NASCON** also declared a dividend of NGN2.00 per share, **VFDGROUP** at NGN2.50 per share, and **OKOMUOIL** at NGN26.00 per share.

Towards the end of the month, Legend Internet Plc (**LEGENDINT**) listed its shares (2.00bn ordinary shares at NGN5.64 per share by way of introduction) on the Main Board of NGX. This represents a significant milestone for Nigeria's tech sector, with the ticker receiving positive investor interest since the listing (+60.11% gain as of 30th April 2025).

Also, **WEMABANK** announced its final tranche of capital raise exercise of NGN149bn via a rights issue of 14.29bn ordinary shares of NGN0.50 each at NGN10.45 per share, based on 2 new ordinary shares for every 3 ordinary shares. This Rights Issue represents a significant step in Wema Bank's capital raising efforts to strengthen its position within Nigeria's banking sector and enhance its digital transformation initiatives

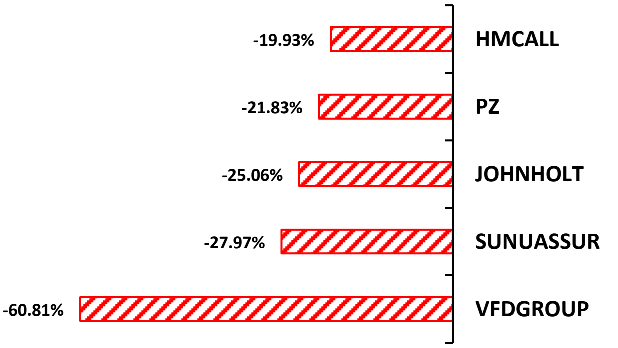
Lastly, Access Bank Plc (**ACCESSCORP**) announced that it has received approval to acquire 100% of the National Bank of Kenya Limited (NBK). This marks the second acquisition in Kenya by **ACCESSCORP** after it acquired Transnational Bank Limited in 2019.

Top gainers in April 2025



Source: *NGX, Meristem Research*

Top losers in April 2025

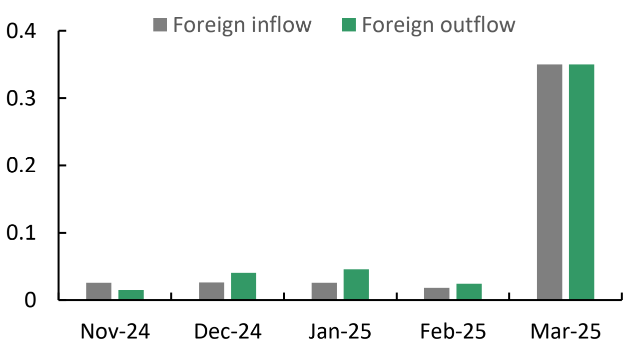


Source: *NGX, Meristem Research*

Foreign Investors' Appetite Rekindled?

According to NGX data, foreign Portfolio Investors (FPIs) recorded their highest monthly transaction value in the Nigerian equity market in March 2025. Foreign inflows rose sharply by 1,838.89% MoM to NGN350.00bn, compared to NGN18.05bn in February 2025. This surge was attributed to block trades. For context, the previous record for FPI equity purchases was NGN73.43bn in December 2017, while the highest FPI equity sales stood at NGN130.89bn in May 2018.

Chart 6: Foreign inflows and Foreign outflows (NGN'trn) 2025



Source: *NGX, Meristem Research*

Equities

2025 Strategic Portfolio

	Fundamentals								
	NM	ROE	ROA	Avg. Cost	CP	Dividend Yield	% Gain	Portfolio Weights	Portfolio Return
ACCESSCORP	33%	41%	3%	23.85	21.80	8.61%	-8.60%	4.34%	-0.37%
AIICO	9%	30%	5%	1.43	1.67	4.38%	16.78%	8.06%	1.35%
BUACEMENT	8%	3%	3%	93.00	83.70	2.45%	-10.00%	4.39%	-0.44%
CUSTODIAN	60%	36%	11%	17.10	17.95	7.27%	4.97%	2.25%	0.11%
DANGCEM	11%	21%	8%	478.80	440.00	6.94%	-8.10%	5.63%	-0.46%
DANGSUGAR	-38%	271%	-43%	32.50	37.80	0.00%	16.31%	2.71%	0.44%
FIRSTHOLDCO	24%	23%	2%	28.05	25.55	2.40%	-8.91%	5.19%	-0.46%
FCMB	14%	21%	2%	9.40	9.60	6.04%	2.13%	6.65%	0.14%
FIDELITYBK	29%	34%	2%	17.50	20.25	6.23%	15.71%	3.94%	0.62%
GTCO	60%	48%	8%	57.00	68.00	11.16%	19.30%	2.86%	0.55%
MAYBAKER	9%	23%	11%	9.40	10.10	5.41%	7.45%	5.57%	0.41%
NASCON	11%	32%	10%	31.35	54.00	3.78%	72.25%	4.20%	3.03%
NEM	20%	43%	21%	10.95	15.00	6.67%	36.99%	4.64%	1.72%
PRESCO	40%	85%	29%	475.00	850.20	5.35%	78.99%	2.65%	2.09%
TOTAL	3%	39%	6%	698.00	705.00	5.67%	1.00%	5.08%	0.05%
UBA	22%	31%	3%	34.00	34.50	8.82%	1.47%	4.55%	0.07%
WAPCO	13%	15%	9%	69.95	82.95	1.48%	18.58%	2.46%	0.46%
WEMABANK	18%	30%	2%	9.10	13.95	8.10%	53.30%	6.40%	3.41%
ZENITHBANK	29%	30%	4%	45.50	49.00	8.60%	7.69%	5.75%	0.44%
TRANSCORP	26%	16%	12%	43.50	44.00	1.40%	1.15%	12.68%	0.15%
									13.32%

Our 2025FY strategic portfolio currently has returned 12.40% Ytd, outperforming the NGX30 index by 782bps. This is as a result of strong gains on **PRESCO**, **WEMABANK**, **NASCON**, and **NEM**. However, pullbacks on **ACCESSCORP**, **BUACEMENT**, and **DANGCEM** weighed on the overall portfolio gains.

Expectations for May 2025

We anticipate a sustained upward repricing across tickers as investors react to the Q1:2025 earnings scorecard. Particularly, we expect strong bargain hunting on some tickers that had shed prices over the previous month. Additionally, we note that the flow of funds to the local bourse might increase, driven by expectations of robust system liquidity in May. Meanwhile, Monetary policy direction –MPC meeting to hold in May- will also shape investors' sentiment towards equity assets, as signals of monetary easing and falling treasury yields pose a silver lining for the local bourse.

Fixed Income

Trends Reversal Unfolds

Review

Following two months of decline in inflation due to the rebasing, the NBS reported an upward reversal in inflation to 24.23% in March (vs 23.18% in February 2025). This increase, alongside escalating global trade tensions, intensified concerns in the fixed income market. Consequently, investors became cautious with their trading patterns, focusing more on shorter dated instruments as they priced in the expectation of higher inflation figures. Consequently, yields on the JAN-26 and MAR-26 bond instruments increased significantly by 199bps and 337bps, to 21.41% and 22.00% respectively ahead of inflation release. Meanwhile, the mid- and long-end of the curve saw moderate yield increases of 21bps to 18.82%. As a result, average bond yields rose by 34bps to 19.05% in April 2025.

Similarly, widespread selloffs pushed average T-bills yields up by 129bps to 19.44%, as renewed inflation concerns fueled cautious trading. The Mid-longer dated instruments bore the brunt of the selloffs as evident in the SEPT-25 and FEB-26 bill which saw a yield spike of 95bps and 260bps respectively, while the short end of the curve saw a slight increase of 11bps to 18.44%.

Chart 7: Bond Yield Curve For March and April 2025

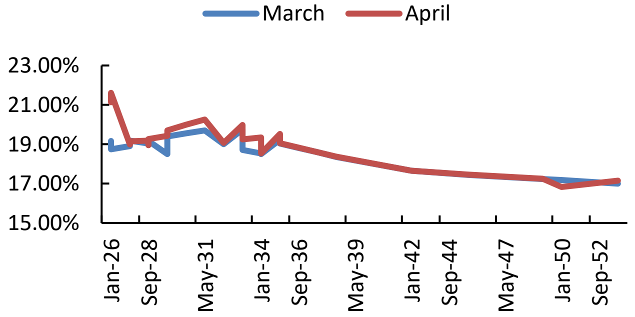
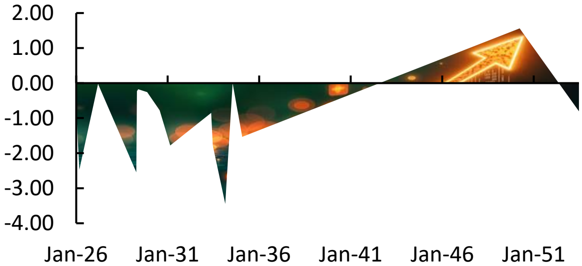


Chart 8: Changes in bond prices (NGNbn)



Source: *FMDQ, Meristem Research*

Oil Slump Widens Fiscal Gap

Q2:2025 issuance calendars for both T-bills and bonds were released during the period, with plans to raise a total of NGN2.86trn from T-bills, significantly below the NGN5.54trn raised in Q1:2025. For bonds, the DMO targets a range of NGN900bn-NGN1.20trn, significantly lower than the NGN1.94trn allotted in Q1:2025, of which 7.88% were non-competitive allotments.

There is a strong likelihood that Q2:2025 allotments may exceed initial targets, as falling oil prices—down from USD74.74/bbl in March to USD63.12/bbl in April—and declining production volumes continue to strain Nigeria's oil-dependent fiscal position. With Brent trading below the USD65 budget benchmark and output lagging both national and OPEC targets, revenue shortfalls are expected to widen the fiscal deficit. Given OPEC's planned production increases and sustained global trade tensions, oil prices may remain under pressure. As a result, the government may not only raise more through scheduled auctions but could also explore alternative borrowing options, to meet rising funding needs.

Stable Pricing Amid Ample liquidity

At the Treasury bills (T-bills) primary market auction (PMA) in April, the CBN returned to its bi-weekly auction schedule after four rounds in March. Across the two auctions held during the month, a total of NGN1.20trn was offered across the trio maturities, and investors' participation was notably strong across all tenors. Total subscriptions reached NGN2.67trn (vs. NGN5.52bn in March), driven by both strong system liquidity and NGN1.30trn in maturing bills, boosting rollover interest. The 364-day paper dominated, attracting NGN2.29trn (85.7% of bids) as investors sought to lock in yields amid renewed inflation concerns. The CBN allotted NGN1.14trn, achieving a 2.34x bid-to-cover ratio (vs. 1.98x in March) and covering 95% of its funding target.

Consequently, stop rates initially peaked at 18.50%, 19.50%, and 19.63% for the 91-, 182-, and 364-day bills but eased to 18.00%, 18.50%, and 19.60% at the second auction.

We expect rates to moderate in May, supported by net repayments of NGN110.50bn and coupon payments of NGN243.94bn, which should help maintain positive system liquidity. However, the growing fiscal deficit due to reduced oil receipts may necessitate the need for higher paper supply and higher rates to attract investors, mitigating the downward pressure on rates.

Fixed Income

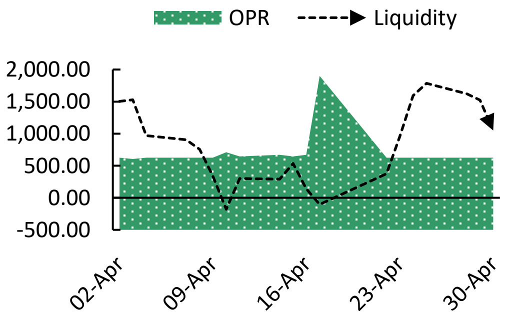
Additionally, in line with the CBN's liquidity management strategy, the CBN conducted two OMO auctions during the month offering a total of NGN1.00trn across two different tenors in each auction. Total subscriptions stood at NGN2.45trn, with the CBN ultimately allotting NGN1.81trn at a marginal rate of 22.53% and 22.73% for the respective bills. This came in higher than the stop rates in March which stood at 19.19% and 19.45%, reflecting the CBN's effort to keep investors incentivized to remain in the domestic economy.

Similarly, in the primary bond market auction, the Debt Management Office (DMO) reopened the APR-29 and MAY-33 bonds, offering NGN350.00bn across both maturities, up from NGN300.00bn in March. Investor demand remained heavily skewed toward the 9-year MAY-33 bond, which drew NGN452.16bn in subscriptions, only slightly below the NGN471.24bn recorded in March. Meanwhile, interest in the 5-year APR-29 bond remained weak, with NGN43.79bn subscribed compared to NGN59.07bn the prior month. Eventually, the DMO allotted NGN397.90bn, well above March's NGN271.23bn, with stop rates remaining unchanged at 19.00% for APR-29 and 19.99% for MAY-33.

Excess Liquidity Anchors Rates

Amidst the headwinds, FAAC inflows (NGN1.58trn), bond coupon payment (NGN442.76bn), and maturing bills (NGN1.30trn), all fueled system liquidity to improve significantly to an average of NGN730.96bn in April (vs -NGN395.11bn in March). This positive system liquidity positioned the banks as net creditors of about NGN9.61trn. As a result, short-term interbank rates, Open Buy Back (OBB) remained steady at 26.50% while the Overnight (O/N) rate declined marginally to 26.83%, in April, down from 26.96%, in March.

Chart 7: System Liquidity and Interbank lending rates APR-2025 (NGN'bn)



Source: FMDQ, Meristem Research

Eurobonds

Performance in the Eurobond market reflected mixed investor sentiment throughout the month. The market opened on a bearish note, with average yields climbing and reaching a peak of 11.34% mid-month, the highest level since the covid-19 shock in February 2020, eventually settling at 10.44% at the end of the month (up from 9.58% in March). The initial sell-off was largely driven by escalating global trade tensions stemming from the US-China tariff dispute, which led to a sharp decline in oil prices (-15.55%) and triggered widespread risk-off sentiment towards emerging markets. This was further compounded by a depreciation of the Naira (–4.23%). However, the shift to bullish sentiment towards month-end signaled renewed investor interest, likely spurred by more attractive valuation levels and improved entry points for value-seeking investors.

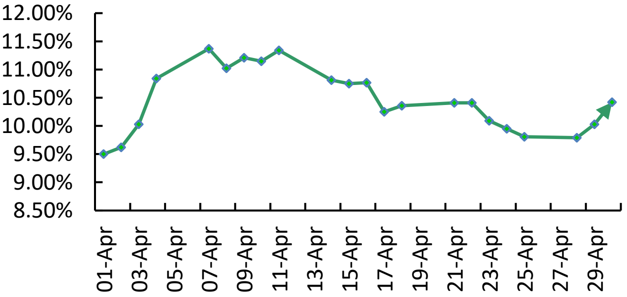
Overall, sell pressures were dominant across the entire curve, with the short end bearing the brunt of the bearish sentiment. The NOV-25 and NOV-27 bonds recorded the most notable yield spikes, rising by 165bps and 109bps, respectively. Also, the mid- and long-dated maturities experienced substantial selloffs, as reflected in yield increases for FEB-32 (+73bps), FEB-38 (+60bps), and SEP-51 (+66bps), indicating renewed investor caution towards the month-end.

The potential reinstatement of Nigeria's Eurobonds in the JP Morgan Government Bond Index could boost investor sentiment and help stabilise recent market volatility. However, downside risks persist as OPEC's planned production ramp-up continues to pressure oil prices.

On the upside, the U.S. Fed's hold on rates helps sustain Nigeria's yield premium, making its Eurobonds more attractive relative to regional peers.

With attractive valuations, particularly at the short end of the curve, we expect a mildly bullish tone in the Eurobond market through May.

Chart 8: Average Eurobonds yields APR-2025 (%)



Source: DMO, Meristem Research

Fixed Income

Events to look out for in May 2025

Source: CBN, DMO

Source: DMO, Meristem Research

Alternative Assets

Volatility & Value: Tracking April's Global Commodity Shifts

Review

In April 2025, oil prices dipped—driven by higher OPEC+ output, softer demand, and U.S.–China trade frictions—putting pressure on oil-dependent economies such as Nigeria. In contrast, gold reached its all-time high amid inflation concerns and uncertainty over U.S. monetary policy, while Bitcoin surged nearly 10% past USD 93,000 on the back of new inflation data and rising institutional interest. In agriculture, cocoa and soybean prices jumped due to supply constraints and currency weakness, even as sesame and cashew markets remained steady.
Looking forward, oil price is likely to stay under pressure, while gold, Bitcoin, and key crops may continue to exhibit volatility with an upward bias.

Month	WTI Spot 2024 Price	Brent Spot 2024 Price	WTI Spot 2025 Price	Brent Spot 2025 Price
January	74.15	80.12	75.74	79.27
February	77.25	83.48	71.53	75.44
March	75.70	81.80	68.24	72.73
April	85.35	89.94	63.84	68.63

Source: EIA, Meristem Research

Crude Oil: Market Buckle Under Global Tensions and Oversupply.

Review

Average spot price of Brent Crude and WTI crude declined to USD68.63 and USD63.84, respectively in April 2025, representing a 6.45% and 5.65% MoM change from March 2025 and a decline of 25.20% and 23.69% YoY respectively. Global oil prices have been on a steady decline in 2025, partly due to increased production by both OPEC+ members and non-member producers. This was compounded by expectations of slowing global demand and trade activity, triggered in part by the United States' imposition of tariffs on key trading partners, particularly China, the world's second-largest consumer of crude oil and other petroleum liquids. The situation was further complicated by internal tensions within OPEC+, where eight member countries, including Saudi Arabia and Russia, announced plans to boost headline output in May by 411,000 barrels per day, up from the previously targeted 122,000 barrels.

Although late-April geopolitical strains in the Middle East—stemming from potential U.S. sanctions on Iranian oil—offered brief support, the overall trend remained down.

This slump undermines revenue for oil-reliant economies such as Nigeria, which based its 2025 budget on a USD75.00per-barrel benchmark and a 2.06mbpd production goal. With actual crude output dipping below 1.50mbpd for two consecutive months—February and March—the combination of lower prices and subdued production heightens concerns about fiscal sustainability.

In our opinion, global oil prices are likely to remain under pressure, driven by ongoing trade tensions, elevated output from OPEC+ and non-OPEC producers, and subdued demand growth. However, this trend may be partially moderated by the likely de-escalation of the trade tensions and potential disruptions from geopolitical tensions in key supply regions.

Gold: Prices Hit Record Highs Amid Markets and Policy Uncertainties

Gold prices recorded significant gains in April, with spot prices reaching an all-time high of USD3,500.05/t oz on 22nd April. Although prices experienced a slight moderation to USD3,327.38 by the end of the month, they remained substantially elevated. The surge was largely driven by heightened economic uncertainty, stemming primarily from the imposition of tariffs by the United States and retaliatory measures by its trading partners.

Concerns over the independence of the US Feds and monetary policy direction further unsettled markets, prompting a flight to safe-haven assets such as gold. However, the sharp price appreciation moderated slightly following indications of a possible de-escalation of the US tariff regime and reassurance by the US government of its monetary authority's independence.

In the near term, gold prices are expected to maintain an upward trajectory. This outlook is supported by the combination of ongoing trade and economic uncertainties, inflationary pressures, and likely US interest rate cuts later this year.

Alternative Assets

Digital Assets: Cryptocurrencies Sustain Resilience Amid Global Volatility

The cryptocurrency market extended its upward momentum in April 2025, with Bitcoin gaining nearly 14.54% despite early-month volatility. After starting the month at USD85,217, Bitcoin briefly fell below USD77,000 by the 8th of April but rebounded sharply to reach an 8 week-high of USD94,978.75 by the 28th of April, sustaining this momentum for the remainder of the month.

The rally was fueled by renewed investor interest following the U.S. CPI release in April at 2.40% (from 2.80% previously). The inflation surprise sparked a notable rally in risky assets, with Bitcoin jumping from USD84,173 and accelerating past the USD92,000 threshold in the two days that followed. Additionally, trading volumes picked up in the second half of the month, driven by increased institutional participation.

Bitcoin's 30-day correlation with the S&P 500 (a tracker used to monitor the 30-day rolling correlation between Bitcoin price and the S&P 500 index return) remained steady at 0.90 in April, highlighting its strong alignment with traditional equity markets and the shared influence of macro and sentiment-driven factors.

Going forward, Bitcoin is expected to remain highly sensitive to global macroeconomic trends, especially inflation and geopolitical developments. Nonetheless, we expect overall momentum to remain positive, supported by regulatory progress and increasing institutional involvement.

Agricultural Commodities: Currency & Trade Pressures

The agricultural commodities market reflected mixed sentiment in April 2025, shaped by global trade dynamics and domestic currency valuation. While some commodities posted modest price gains in local currency terms, broader market volatility and foreign currency pressures continued to play a significant role in shaping pricing outcomes.

Cocoa prices softened in Naira terms in April, easing to NGN10,970.30/kg from NGN12,912.50/kg in March, despite initial concerns around global supply and steady international prices (around USD8.08/kg in April from USD8.15/kg in March). This downtrend can be linked to an improved supply outlook—better weather in West African growing regions and rising inventory in major consuming countries have lifted expectations for greater availability.

Soybean prices also showed notable strength, rebounding from early-month lows to close April at NGN983.20/mt, up from NGN933.66/mt in March. This movement was driven by stronger sourcing activity and renewed upward pressure on prices which is likely to persist.

On the other hand, Sesame and Cashew markets displayed more stable performance. Sesame traded at NGN2,300.75/kg, while Cashew settled at NGN1,866.25/kg. Both commodities benefited from export-driven demand, although gains were more muted compared to cocoa, reflecting relatively balanced supply dynamics.

We expect market directions to reflect changes in global trade policy, particularly U.S. executive orders and tariff actions. Additionally, domestic currency fluctuations and speculative flows in the futures market could exert upward pressure on prices. Meanwhile, we envisage further gains on soybeans, hinged on robust sourcing demand, while cocoa should remain sensitive to tight supplies caused by a poor harvest season and adverse weather.

MERISTEM

CONTACT INFORMATION

Brokerage and Retail Services
hnimanagement@meristemng.com (+234 905 569 0627)
crmstocbroking@meristemng.com (+234 808 369 0213)
contact@meristemng.com

Investment Banking/Corporate Finance
rasakisalawu@meristemng.com (+234 806 022 9889)
davidadu@meristemng.com (+234 810 940 4836)

Wealth Management
funmilolaadekola-daramola@meristemng.com (+2348033550008234)
customerrelationshipmanagement@meristemng.com;
WealthManagement@meristemng.com
Tel : +234 702 564 0072;
0700-MERISTEM crmwealth@meristemng.com

Registrars
info@meristemregistrars.com
(020 128 09251)
www.meristemregistrars.com (+234 80 00 063 74734)

Trust Services
crmtrustees@meristemng.com (+234 702 564 0071)
trustees@meristemng.com

Group Business Development
ifeomaanyanwu@meristemng.com (+234 802 394 2967)
info@meristemng.com

Finance
muboolasuko@meristemfinance.com (+234 803 324 7996)
matthewawotundun@meristemfinance.com (+234 802 390 6249)

Client Services
adefemitaiwo@meristemng.com (+234 803 798 3762)
car@meristemng.com (+23401-280 9250)

Investment Research
praiseihansekhien@meristemng.com (+234 817 007 1512)
research@meristemng.com

Corporate websites:
www.meristemng.com **www.meristemwealth.com** **www.meristemregistrars.com**

Meristem Research can also be accessed on the following platforms:

Meristem Research Portal: research.meristemng.com
Bloomberg: MERI <GO>
Capital IQ: www.capitaliq.com **Reuters**: www.thomsonreuters.com
ISI Emerging Markets: www.securities.com/ch.html?pc=NG **FactSet**: www.factset.com