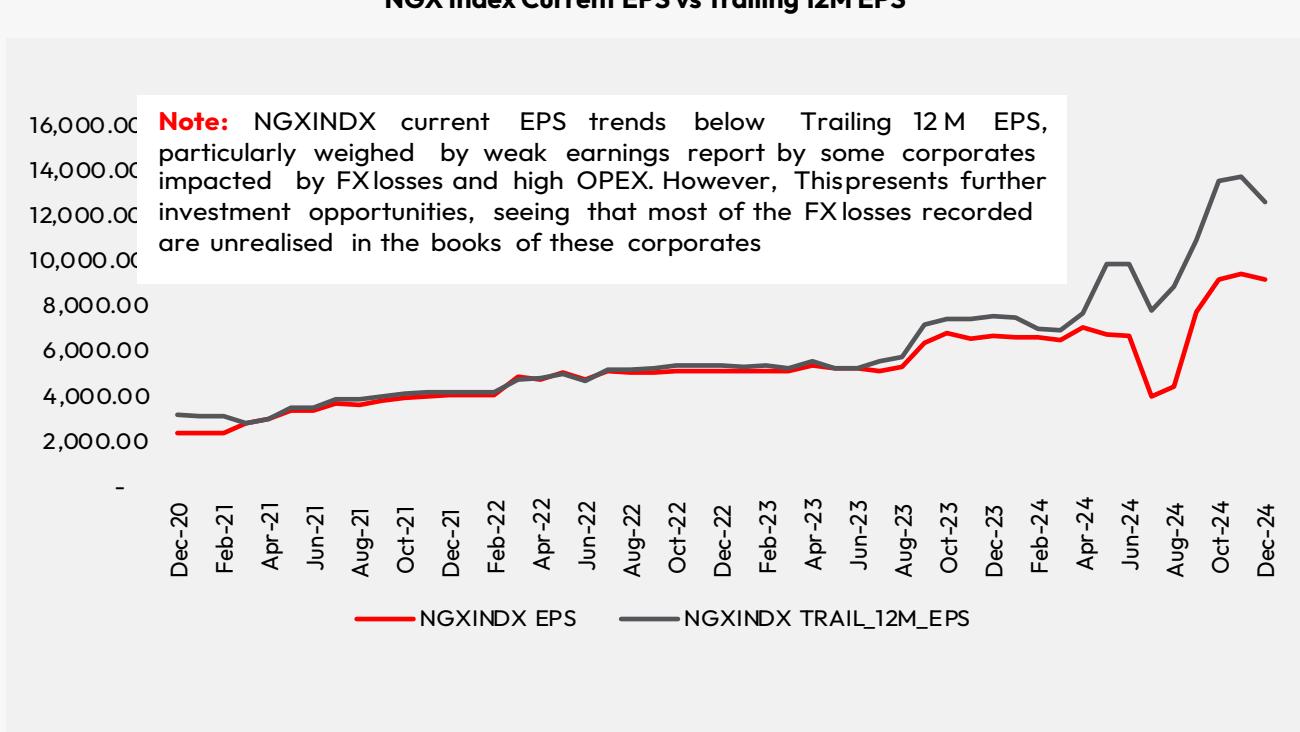
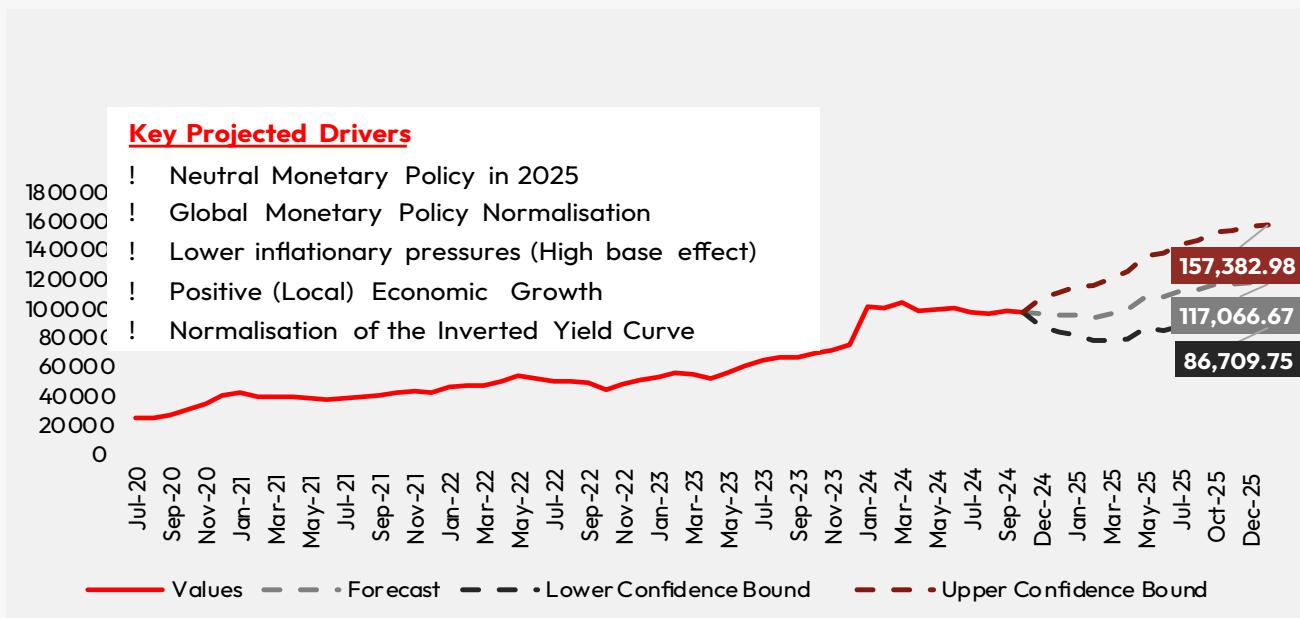




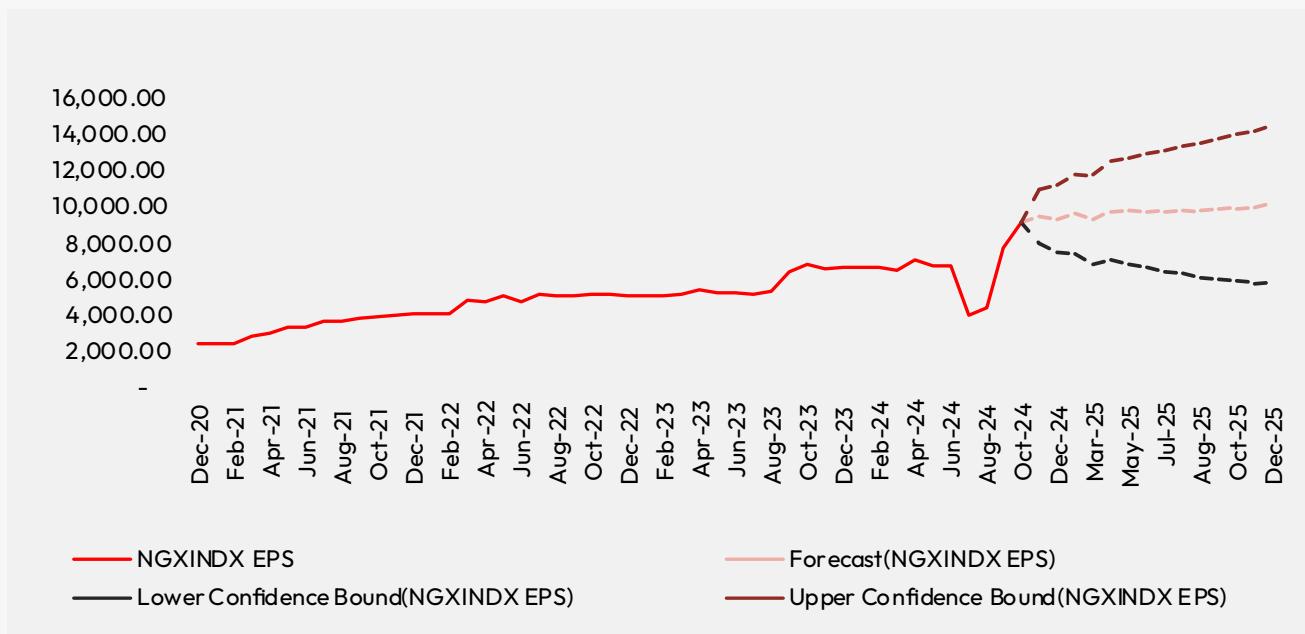
2025 OUTLOOK: EQUITIES MARKET

THE PERFORMANCE OF THE NGX-ASI IS EXPECTED TO IMPROVE IN 2025

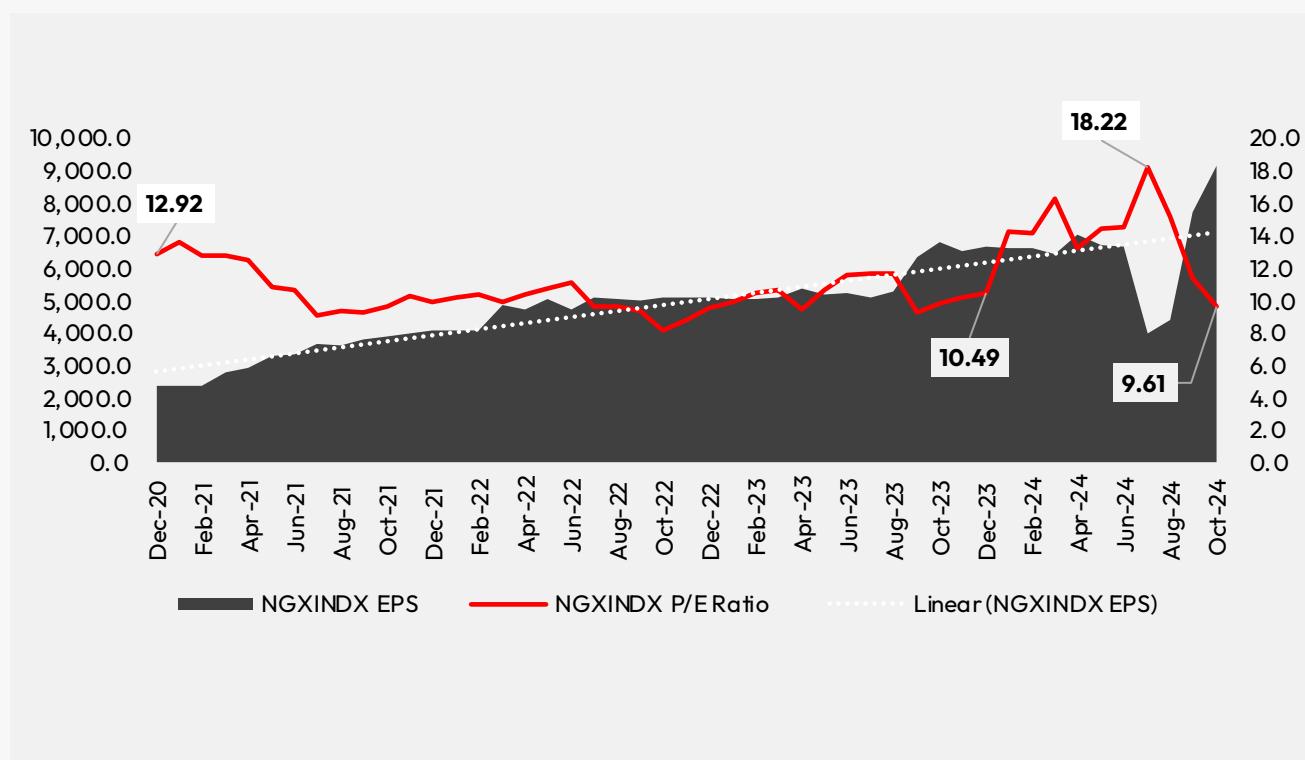


THE PERFORMANCE OF THE NGX-ASI IS EXPECTED TO IMPROVE IN 2025

Corporate earnings is expected to improve in 2025, in tandem with financial conditions

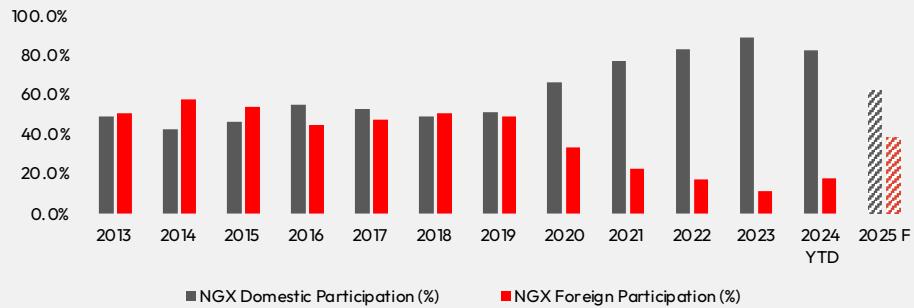


Sell-offs across Nigerian Equities in Q4-2024, drove PE-Ratio of NGXINDEX lower, improving potentials for discount purchases in terms of undervalued equities

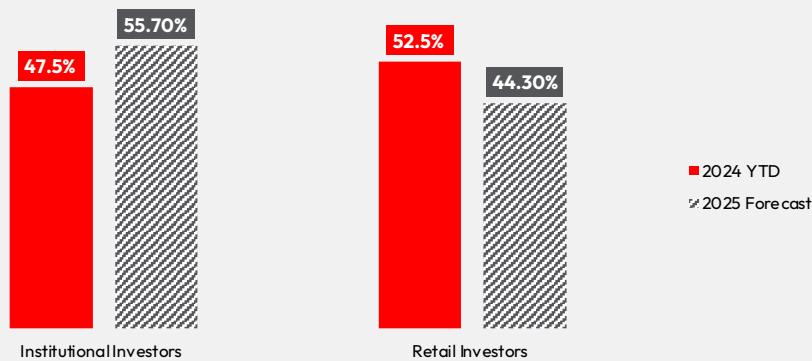


■ POTENTIAL NGX DRIVERS IN 2025

Foreign participation on the NGX is projected to improve in 2025 supported by the global ease in financial conditions
NGX YTD market participation



We project an improvement in participation from Institutional Investors, given the Positive Outlook For Inflation and Monetary Policy in 2025
Institutional vs Retail Investors



Dangote Refinery revealed plans to be listed on the Nigerian Exchange Limited before the end of Mar-2025. The refinery's listing is part of a strategy to expand the company's investor base and increase value for shareholders. The refinery is the world's largest single-train facility, and was inaugurated in Lekki, Nigeria in May 2023.



The Group Chief Executive Officer of the Nigerian National Petroleum Company Limited (NNPC), Mele Kyari, disclosed in Q1-2024 that the anticipated public listing of the company's shares at the stock market as provided for in the Petroleum Industry Act (PIA) will start soon (timeline was not communicated).

■ SECTORS TO WATCHOUT FOR IN 2025

Power

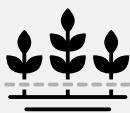


The FG intends to offer tax credits and streamline contracting processes for new oil & gas projects. This is in a bid to attract foreign investments. (Insecurity, high inflationary environment, and slow progress in Naira stability will continue to weigh overall sentiments of foreign investors toward Nigeria, particularly the much-needed FDIs)

According to NNPC, the Ajaokuta-Kaduna-Kano (AKK) Gas Pipeline Project will be delivered by the first quarter of 2025. The pipeline can transport two billion standard cubic feet of natural gas per day to three proposed independent power plants in Abuja, Kaduna, Kano, and other gas-based industries as well as other identified and proposed commercial off-takers along the entire pipeline route. A game changer for the Nigeria power sector.



Agriculture



In 2024, FG announced a 50.0% reduction in agricultural input prices, with a plan to distribute seeds, fertilizer, herbicides, and pesticides to farmers. This initiative should invariably improve the output of the sector.

FG has just recently announced a 150-day duty-free import window for food commodities as it stepped up efforts to tackle rising inflation which had impoverished many Nigerians. Among other things, the latest directive is expected to reduce demand for forex by food importers. In 2023, Nigerians spent \$2.13bn to import food items from foreign countries.



Financial Services



The earnings performance of the Banking sector was outstanding in 2024, completely insulated from the adverse effect of the government's policy shift, which translated into FX losses in the books of a class of corporates, specifically in the consumer goods sector.

The recapitalisation exercise mandated by the Central Bank of Nigeria (CBN) was directed to reduce investment risks in the financial sector. This exercise will also improve the overall profitability of Banks mid-long term.

