LBS Breakfast Session

Fragile Peace: Is the war *really* over??

H1 2026 Review & H2 2026 Outlook

Presented by: Bismarck Rewane

July 01, 2026

US–IRAN: AN MoU IS NOT AN AGREEMENT

MEMORANDUM OF UNDERSTANDING

Non-binding

A document expressing the parties' intentions and and principles for future cooperation — often a precursor to a contract.

AGREEMENT / TREATY

Legally binding

A binding arrangement specifying rights, obligations, obligations, implementation mechanisms, monitoring, monitoring, and enforcement.

WHERE WE ARE NOW

The US and Iran traded strikes **after** signing the MoU

Straining the 60-day ceasefire agreement

Threatening the possibility of a truce to end the war

> **"The U.S. has cried wolf so many times that when the wolf finally arrived, the world no longer believed the warning."**

ON WAR & ITS AFTERMATH

"

War is, at first, the hope that one will be better off; next, the expectation that the other fellow will be worse off; then, the satisfaction that he isn't any better off; and, finally, the surprise at everyone's being worse off.

Karl Kraus
Austrian writer & journalist

"

War creates three things: Uncertainty, Volatility, Opportunity.

Warren Buffett
American investor & philanthropist

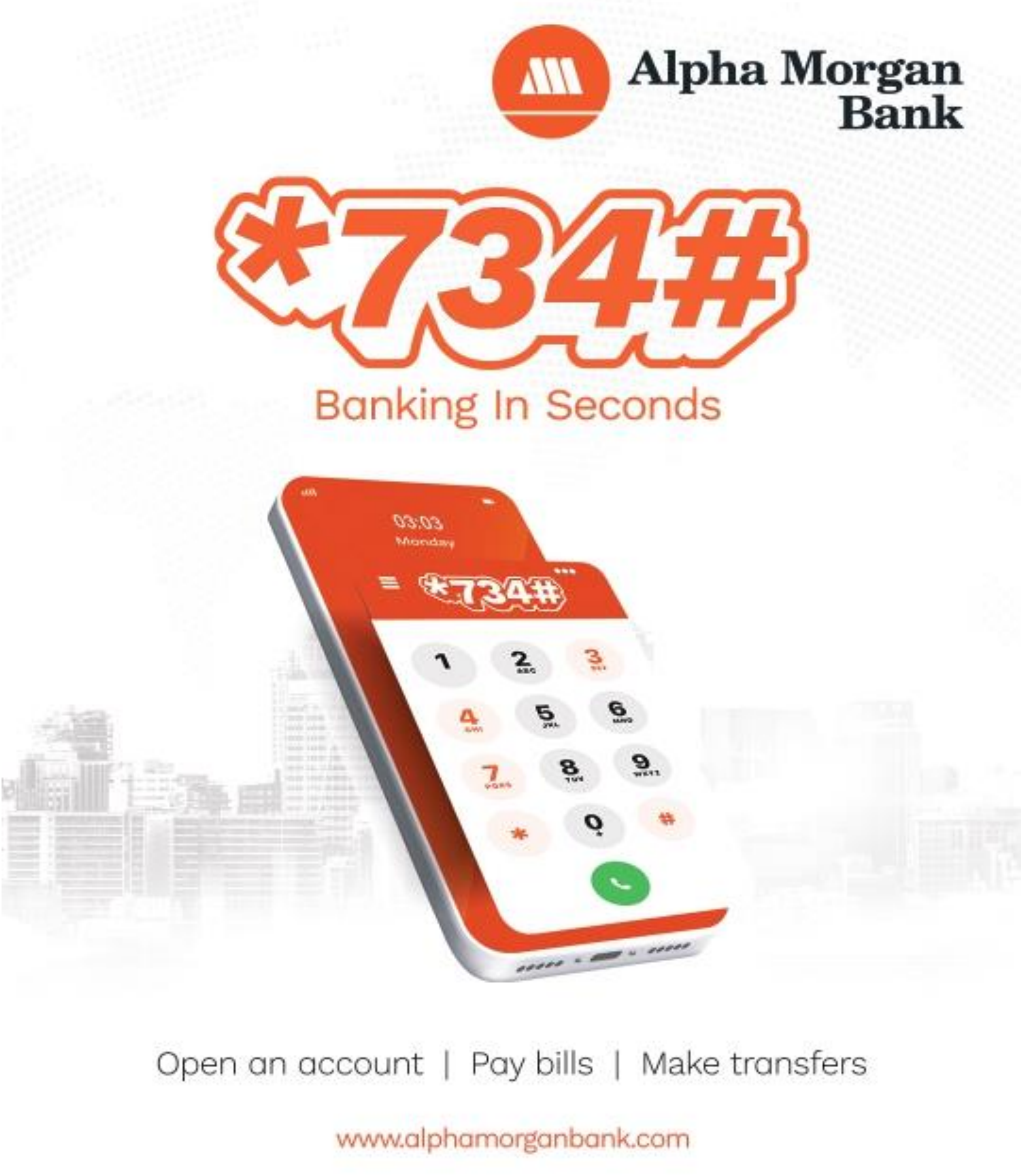
WHAT WE SAID THEN VS. WHERE WE ARE NOW

#	WHAT WE SAID THEN	VS	WHERE WE ARE NOW
1	May headline inflation to inch up to 15.98%		**Came in at 15.93%**
2	Naira stable at ₦1,390–₦1,420/$		**Stable at ₦1,400/$**
3	Brent to fall towards $85/pb		**Trading at $73.20/pb**
4	ECB +25bps to 2.4%; Fed to hold		**ECB hiked; Fed held unchanged**
5	FAAC to remain above ₦2 trillion		**Stayed at ₦2.3trn in May**

SCORECARD: SOME PROJECTIONS REVERSED

Under the weight of mounting uncertainty, a few calls moved against us.

#	WHAT WE SAID THEN	VS	WHERE WE ARE NOW
6	PMS to fall to ₦1,200; diesel to ₦1,700/litre		**PMS ₦1,106; diesel ₦1,570/litre**
7	Stock market to give up some gains		**Corrected — lost 11% of its gain**
8	Interbank average opening to fall to ₦4.5trn		**Opened at ₦3.84 trillion**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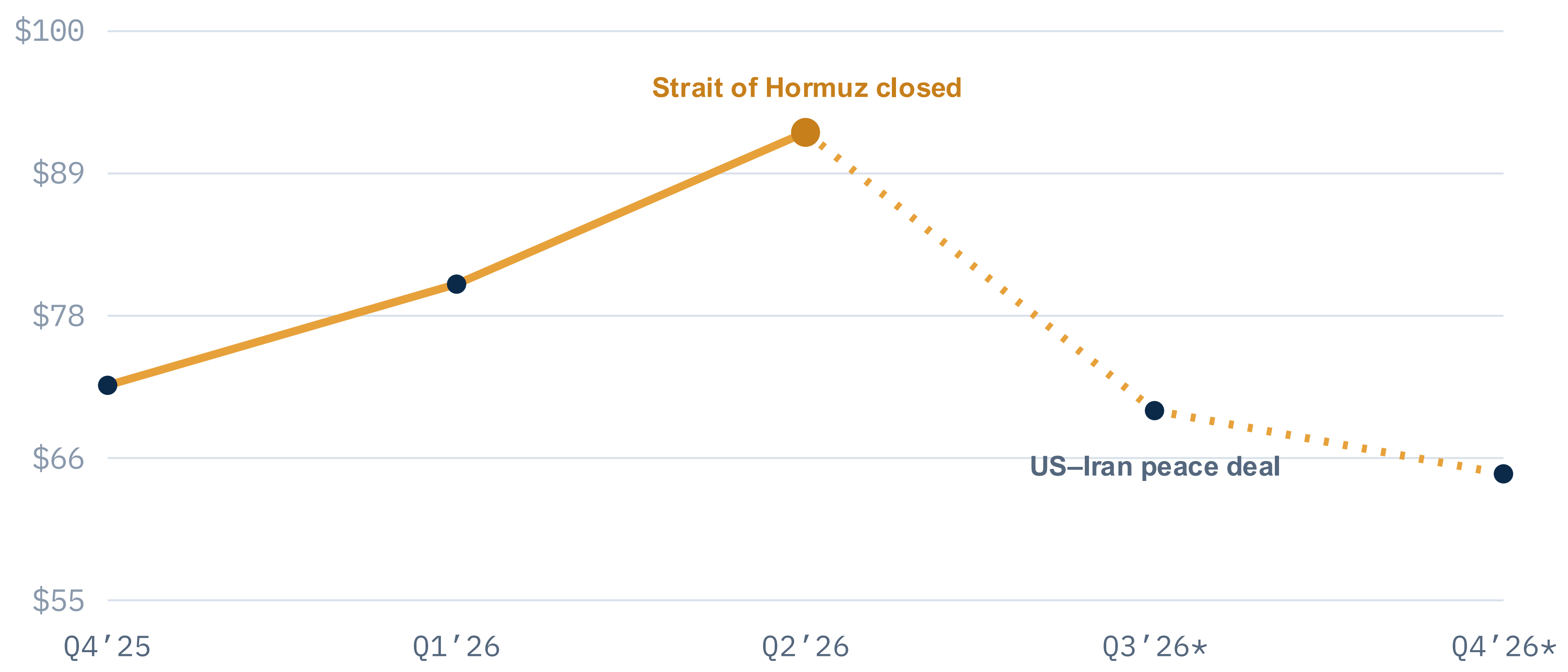
PART
ONE

BELL-SHAPED OIL PRICE SCENARIOS

BELL-SHAPED OIL PRICE CURVE

Oil prices down over 30%, erasing most war-driven gains



Average oil price ($/pb) · * FDC Think Tank forecast

THE TRAJECTORY

Average oil price declines to **$70/pb in Q3** and **$65/pb in Q4**

Geopolitical risk premium has largely unwound

Inventories rebuild as OPEC+ raises production

CAVEAT

Renewed Middle East tensions, stronger-than-expected demand, or an OPEC+ policy reversal could push prices back up.

THE OIL MARKET: WHAT MOVES PRICES

$70/pb

Brent crude forecast: Q3 2026 **FDC*

Lower oil prices will negatively impact FX earnings

$65/pb

Brent crude forecast: Q4 2026 **FDC*

Lower FX earnings + production constraints to widen fiscal deficit

Oil prices are largely a function of **OPEC+ bargaining power**

The US, Saudi Arabia and Russia are the leading producers and major price influencers

The Strait of Hormuz remains a critical global oil transit chokepoint

The UAE pulled out of OPEC

The US has increased shale oil production

Prices are shaped by supply–demand balances

Futures trading and market expectations move prices

70% of Nigeria's export revenue is oil

AN OIL GIANT, YET AN IMPORT-DEPENDENT ECONOMY

Nigeria produces oil, depends on oil, and still depends on imports on imports — three truths at once.

Is Nigeria an **oil-producing** economy? Yes.

An **oil-dependent** economy? Overwhelmingly.

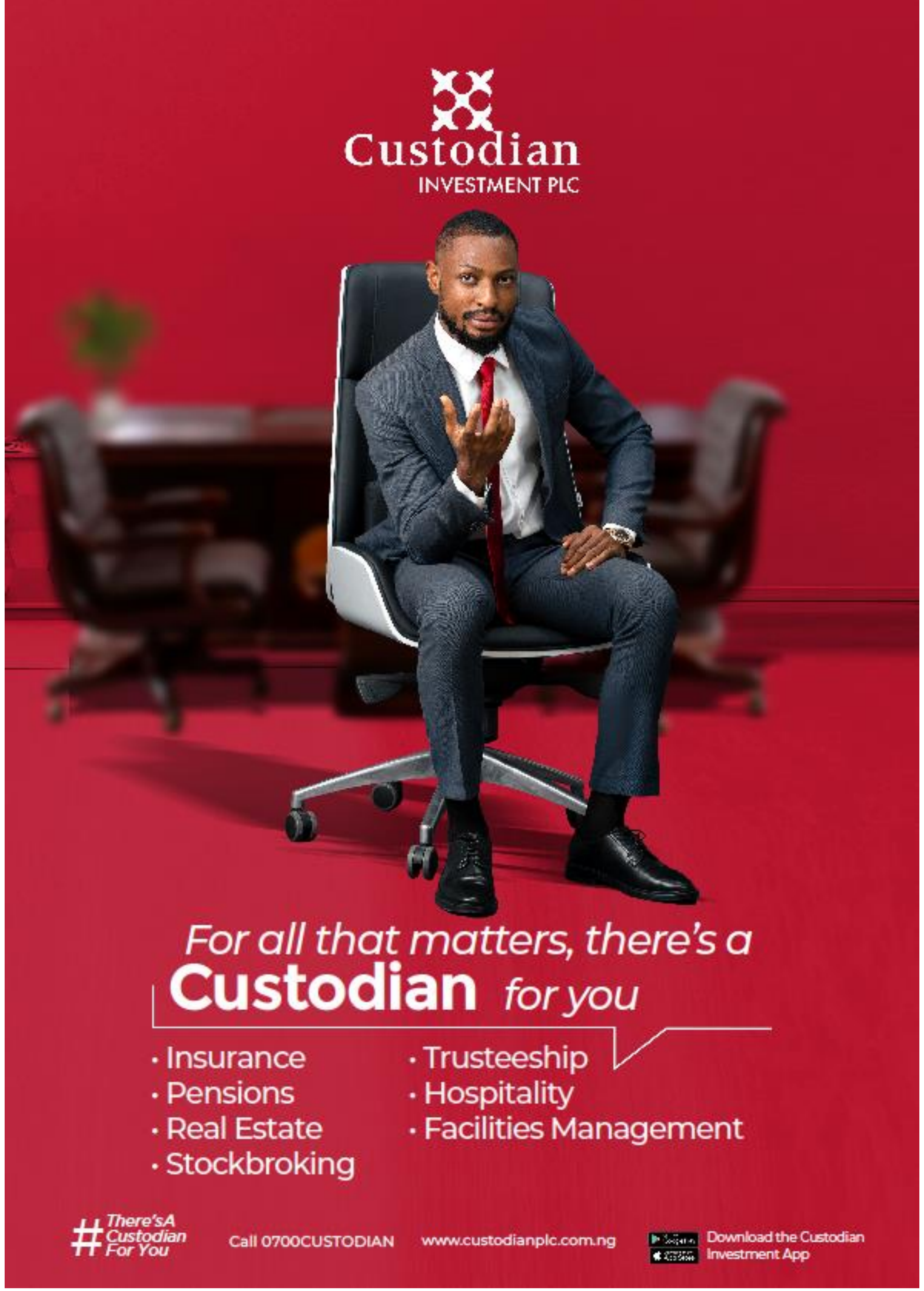
An **import-dependent** economy? Still, yes.

EXPORT REVENUE MIX

70%
Crude oil

15%
Natural gas

15%
Other — mainly cocoa, fertilizer, sesame seeds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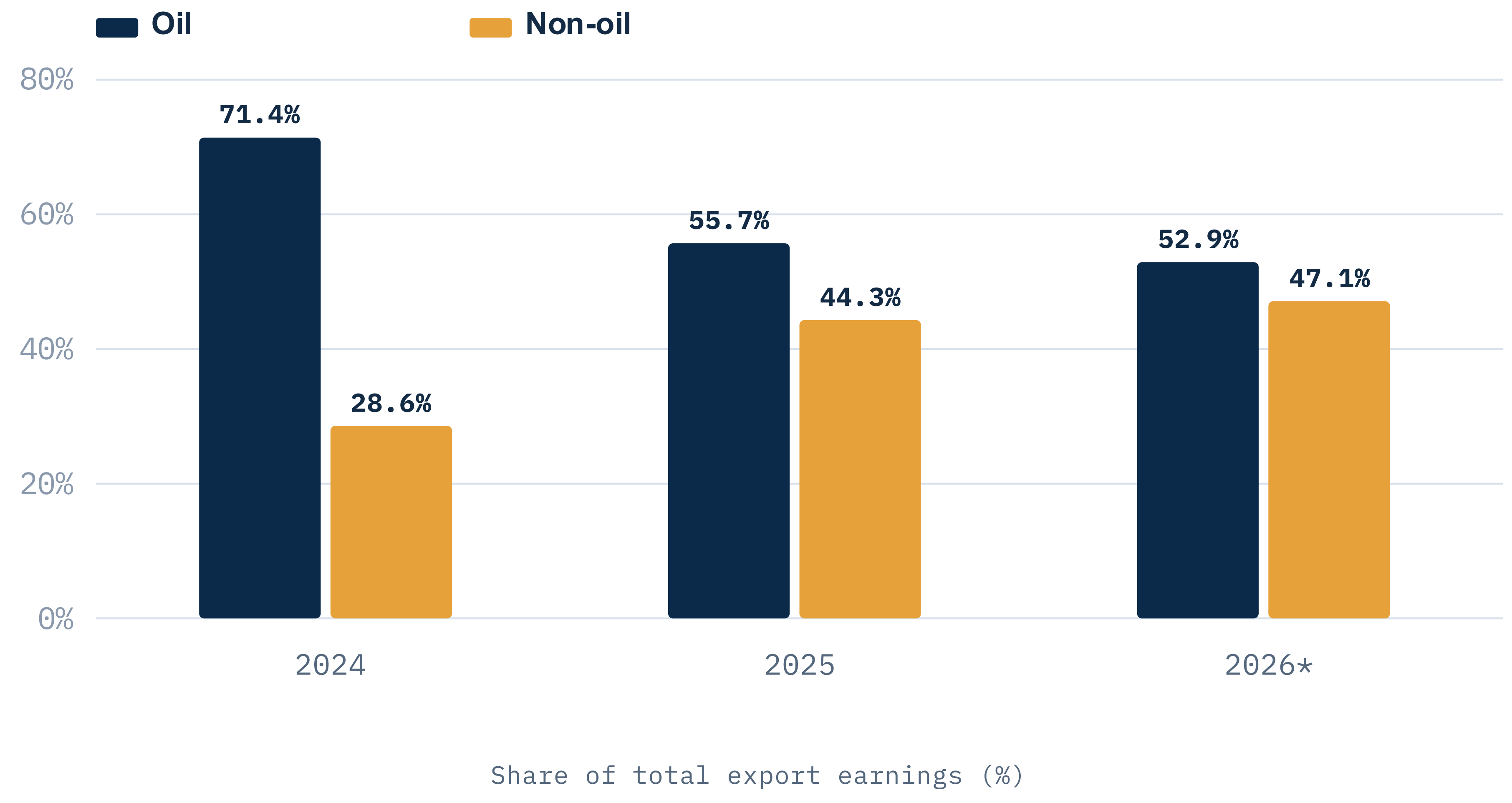
NIGERIA'S OIL VS. NON-OIL EXPORT EARNINGS

Crude oil's share of export oil has moderated, a shift in Nigeria's balance of payments



THE SHIFT

Oil's share of export earnings is falling — from from **71% (2024)** to **53% (2026*)**

Non-oil earnings — gas, cocoa, fertilizer — are are steadily rising

Diversification is real, but gradual

HOW A CRUDE OIL PRICE DROP RIPPLES THROUGH

↓ Lower PMS prices

Cheaper crude gradually feeds into pump prices.

₦950/litre

PMS price forecast: August 2026 **FDC*

↓ Lower inflation

Energy costs ease, softening headline inflation.

15.85%

Headline inflation forecast: August 2026 **FDC*

↓ Reduced export earnings

Each exported barrel is worth less immediately.

$65/pb

Brent crude forecast: Q4 2026 **FDC*

↑ Wider fiscal deficit

Lower oil revenue widens the deficit and lifts borrowing.

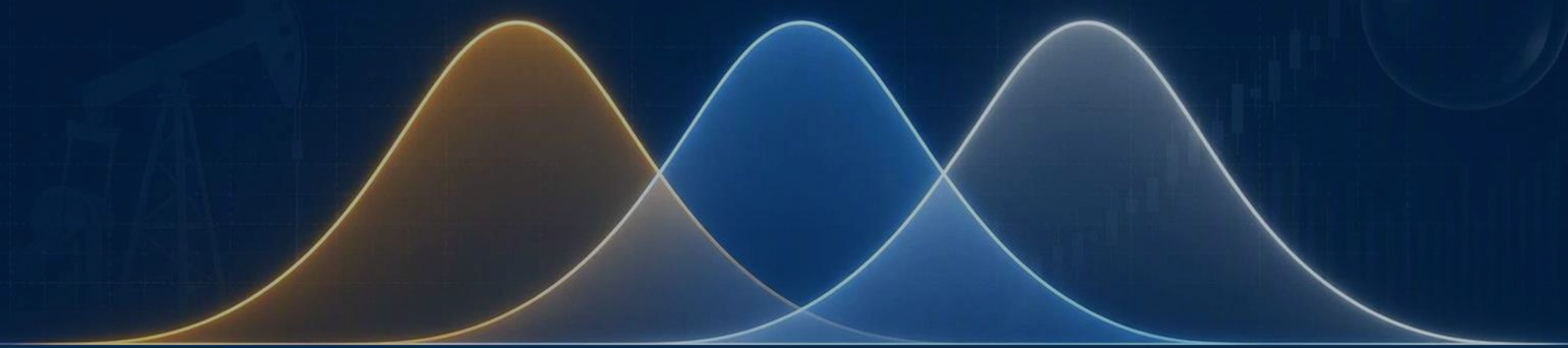
4.4%

Fiscal deficit (% of GDP) forecast: 2026 **IMF*

IMPACT & WHY

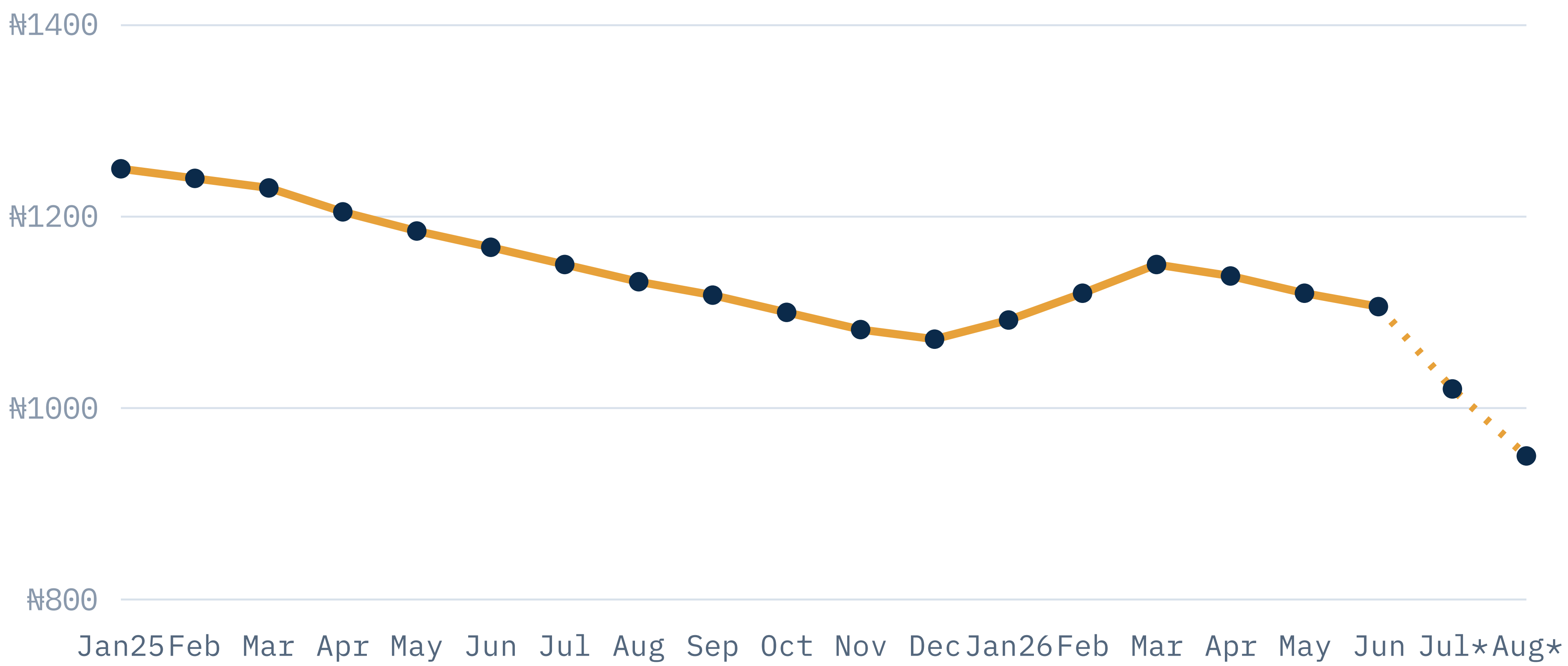
BELL-SHAPED OIL PRICE SCENARIOS

Scenarios for the next couple of months



EFFECT ON PMS PRICES

Petrol prices likely to fall further in the coming months, albeit at a slower pace compared to crude oil



PMS price (₦/litre) · * forecast

LIKELY OUTCOME

Only ~0.57% of a $10 Brent move passes through short-run. PMS has fallen to **₦1,106** and could drop toward **₦950**.

CAVEAT

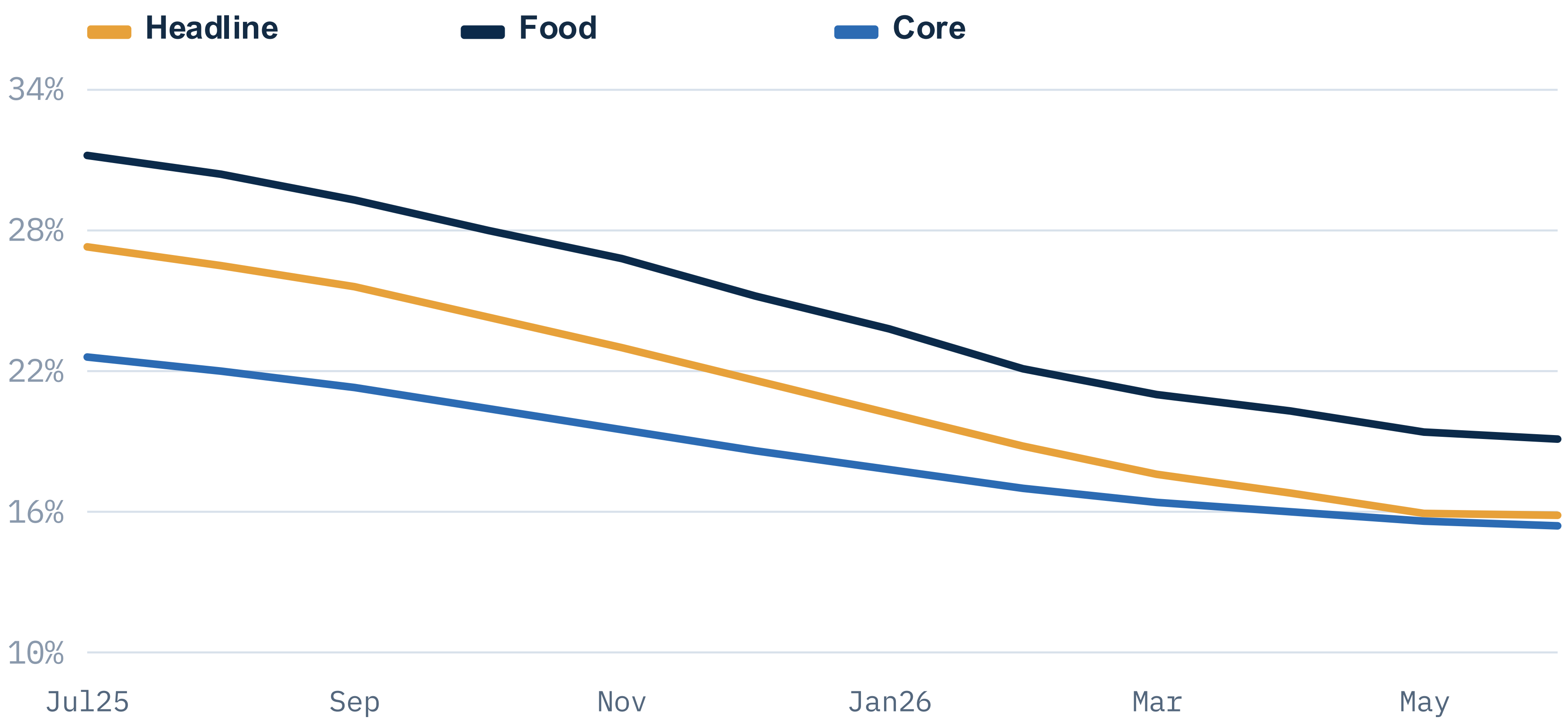
If the naira weakens, PMS may not fall much even if Brent drops.

LAG

Pump prices adjust after 1–6 weeks — longer while sellers clear old inventory.

EFFECT ON INFLATION

As oil prices fall, headline inflation could gradually moderate



Headline, food and core inflation (%) · * forecast · Source: NBS, FDC Think Tank

LIKELY OUTCOME

A $10 Brent move trims headline inflation by ~0.08% short-run, to **15.85%** — not instant.

CAVEAT

Heightened insecurity can offset the disinflation. disinflation.

LAG

Headline responds over 1–3 months; food inflation lags further during planting season.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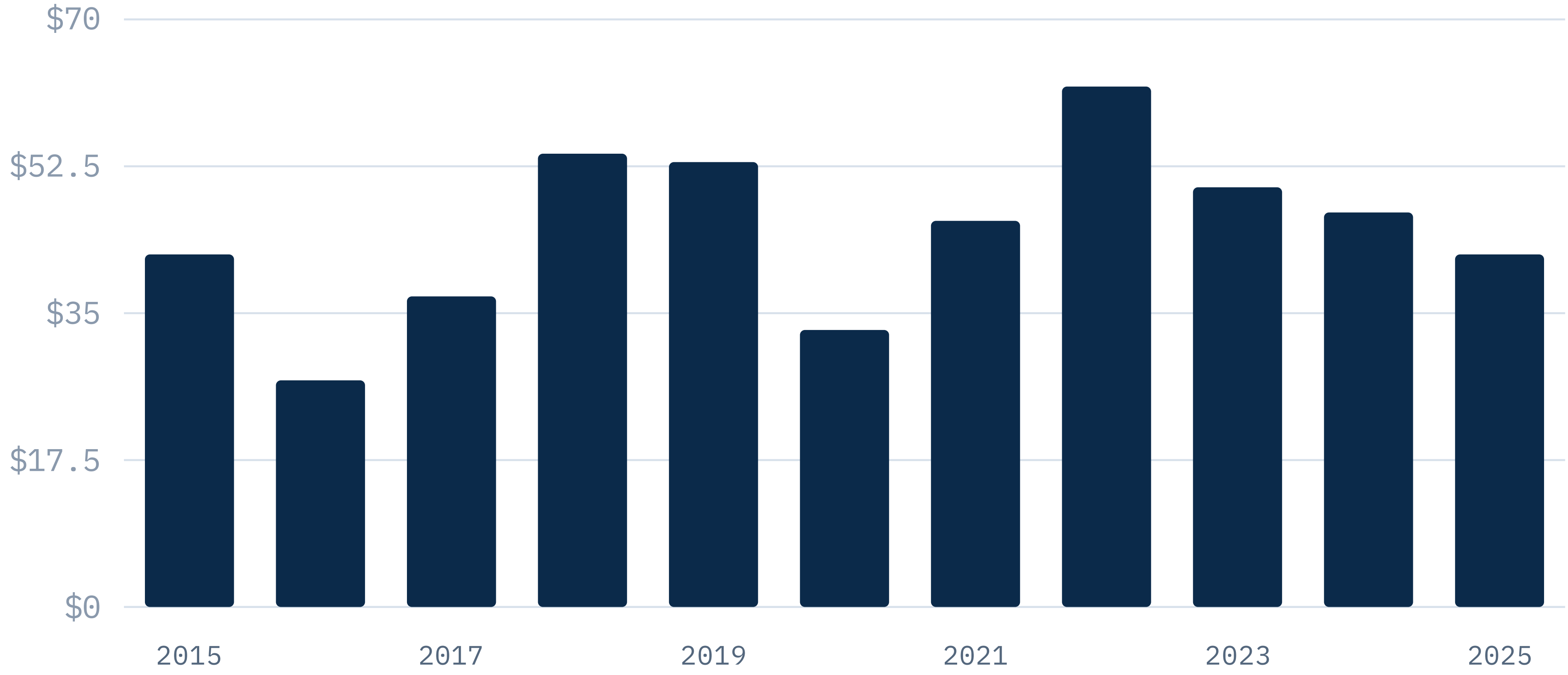
EFFECT ON EXPORT EARNINGS

Oil exports to fall as brent prices decline; production still playing catch up at 1.5mbpd



Oil export earnings ($bn), 2015–2025

LIKELY OUTCOME

When Brent falls, each exported barrel is worth worth less immediately. Earnings could drop **2.78% 2.78%** — about **$0.49bn**.

CAVEAT

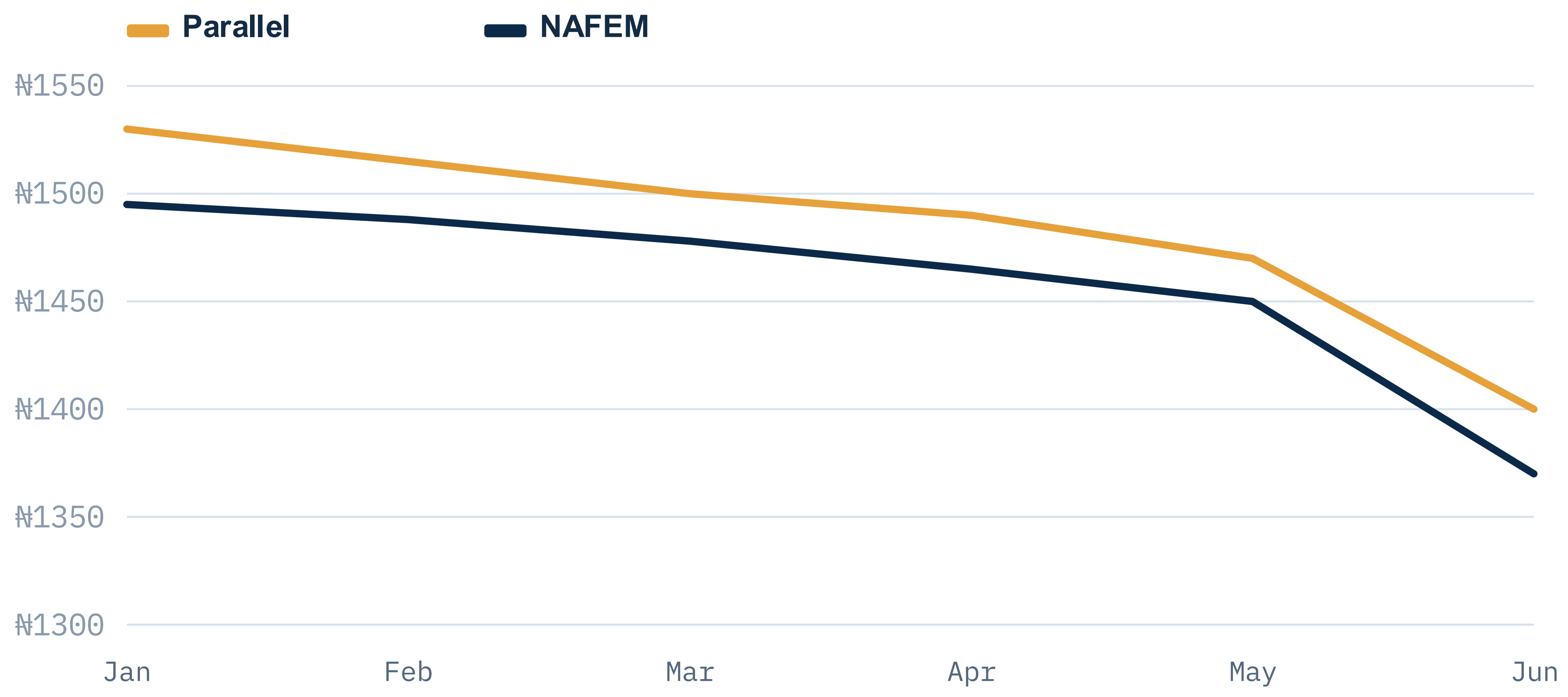
Earnings depend on production volume, not price price alone.

LAG

The valuation effect on earnings is immediate.

EFFECT ON THE EXCHANGE RATE

FX inflows to slow as oil prices decline, likely to marginally weaken the naira in the near term



Exchange rate (₦/$) — parallel vs. NAFEM

LIKELY OUTCOME

A $10 Brent move could weaken the naira by **~0.4%** short-run, on lower oil FX earnings. Parallel and NAFEM are converging.

CAVEAT

Ramped-up production, CBN intervention and FX FX controls can offset the move.

LAG

The effect can show up within days to weeks.

THE NAIRA IS STILL TRADING BELOW FAIR VALUE

ITEM (JUNE 2026)	₦	US $	PPP ₦/$
Hamburger (Burger King) King)	16,000	6.83	**2,342.6**
Heineken (60cl)	1,200	1.62	740.7
Diesel (1 litre)	1,990	1.50	1,326.7
Big loaf of bread	2,300	3.34	688.6
Eggs (30 large)	6,500	6.45	1,007.8
Toyota Corolla (2023)	50,000,000	21,700	**2,304.2**
Average PPP			**1,172.90**

THE VERDICT

–12.93%

Naira undervalued vs. the NFEM rate

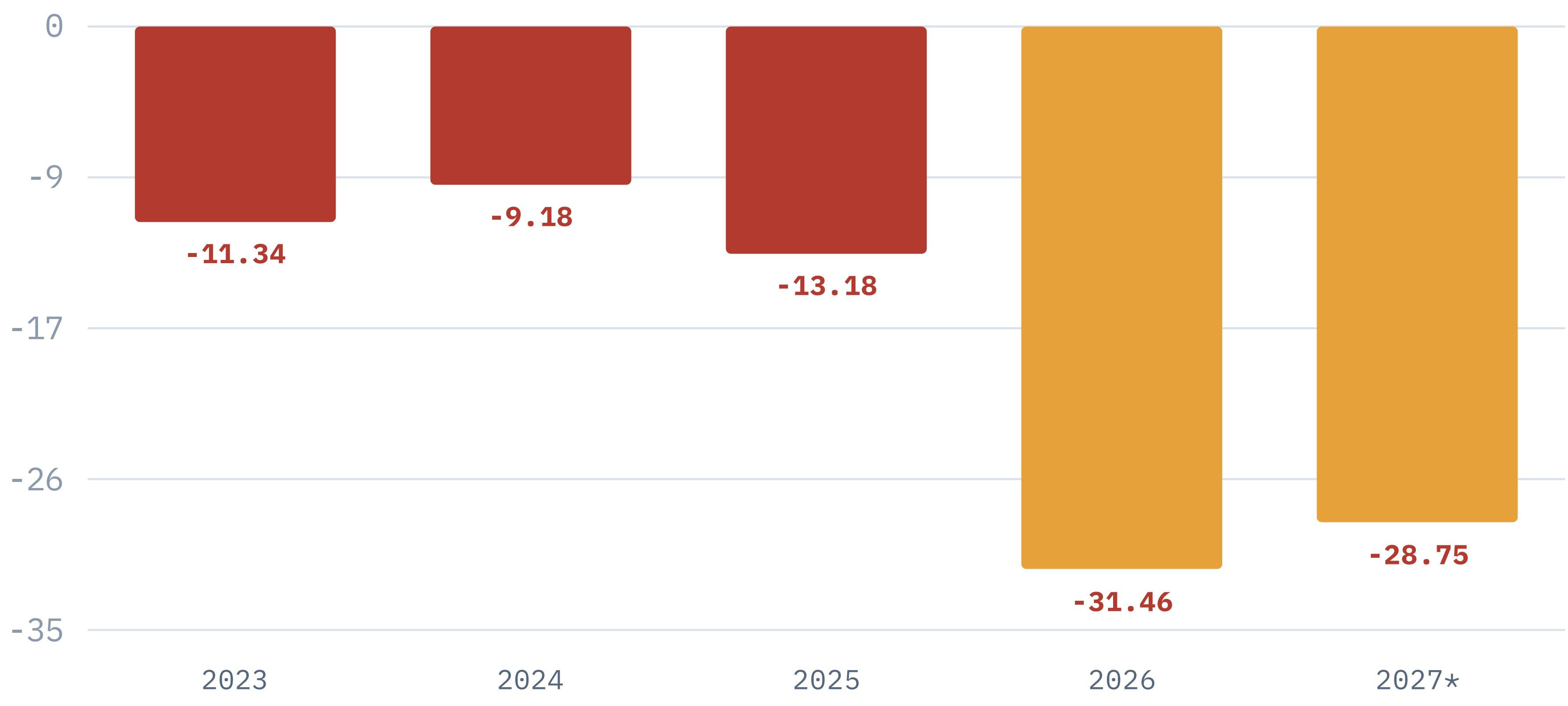
₦1,172.90 — average PPP fair value

₦1,370.45 — NFEM official rate

₦1,400 — parallel market rate

THE NOMINAL DEFICIT IS BALLOONING — AND WILL CONTINUE

Nigeria's fiscal deficit is set to widen as oil prices fall



Fiscal deficit, nominal terms (₦'trn) · * forecast

LIKELY OUTCOME

A $10 Brent move cuts oil revenue by **10–15%,** widening the deficit by **0.5–1% of GDP** .

DRIVERS

Lower oil export earnings
Large debt-service obligations
Higher recurrent expenditure

ELECTION SPENDING: IMPACT ON THE ECONOMY

Election cycles inject liquidity and demand into the economy — with a predictable chain of consequences.

Increases government expenditure
Widens the fiscal deficit
Higher domestic borrowing lifts Treasury bill and bond yields

Raises banking-system liquidity, fueling consumption and consumption and credit growth
Higher aggregate demand drives demand-pull inflation when supply is constrained
Greater FX demand adds pressure on the naira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A NEW WAGE IS SET TO KICK IN

LIKELY SCENARIO **₦100k–₦120k**

A wage review is not the same as a minimum-wage adjustment.

POSITIVE IMPLICATIONS

- Higher consumer spending
- Possible sales lift for FMCG companies
- Improvement in real income
- Short-term growth via private consumption

NEGATIVE IMPLICATIONS

- Higher labor costs, pressure on margins — especially labor-intensive firms
- Some firms may slow hiring to offset costs
- A wider fiscal deficit
- Elevated inflation

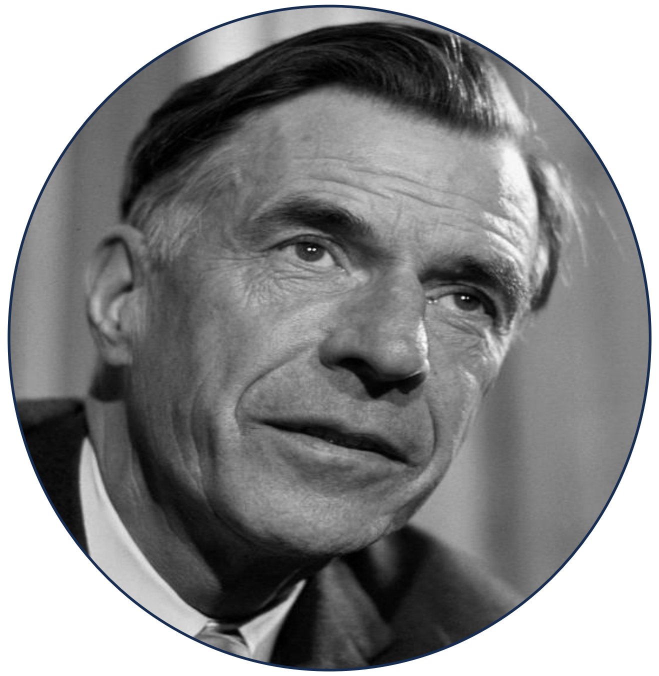
2

PART TWO

MARKETS & THE NEW ECONOMY

ON BOOMS & THE MARGIN OF SAFETY

" **Once a boom is well started, it cannot be arrested. arrested. It can only be collapsed.**



John Kenneth Galbraith
Canadian-American economist

" **The three most important words in investing are margin margin of safety.**

Warren Buffett
American investor & philanthropist

FROM SAVERS TO INVESTORS TO SPECULATORS

Nigerians' money behavior has moved through three phases.

SAVERS

1980s – mid-2000s

- Bank accounts
- Fixed deposits
- Informal savings groups

INVESTORS

mid-2000s – mid-2010s

- Mutual funds
- Stocks & bonds
- Real estate

SPECULATORS

mid-2010s – date

- Stocks → crypto
- Crypto → FX
- FX → commodities

MARKET CAP

Up more than **22,000-fold**

from ₦6.6bn in the 1980s to **₦145.75trn** in 2026.

CRYPTO HOLDINGS

Nigerians now hold **$59bn** in cryptocurrency assets.

MARKETS & THE NEW ECONOMY

GLOBAL STOCK MARKETS

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Start now. Dial *770#
Buy Data
Pay bills
Transfer
Check Balance
FastLoan
Open Account
Cardless Withdrawal
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2026 FIRST HALF: GLOBAL MARKETS

Capital rotated through three phases as geopolitics reshaped risk appetite.

PHASE 1 · EARLY RALLY

Tech and growth equities led an early rally.

Nvidia

PHASE 2 · FLIGHT TO SAFETY

US–Iran war halted momentum; momentum; capital rotated into into Energy and Defense

Lockheed Martin

Exxon Mobil

PHASE 3 · BACK TO FUNDAMENTALS

Capital is rotating back as investors refocus on valuation and

Now

Markets proactively priced in a geopolitical risk premium **before** the conflict — and are unwinding it now.

GLOBAL STOCKS: CYCLICALS & THE WORLD CUP TRADE

Market moves suggest investors are pricing in **cyclical stocks** within the Dow Jones Industrial Average

SpaceX is falling towards its launch price

WORLD CUP BENEFICIARIES

Digital payments & ticket processing

FMCG and beverage brands

Travel and hospitality

TOP 10 GLOBAL STOCKS BY MARKET CAP

01 NVIDIA

02 Microsoft

03

04 Google

05 amazon

06 aramco

07 Meta

08 BROADCOM

09 tsmc

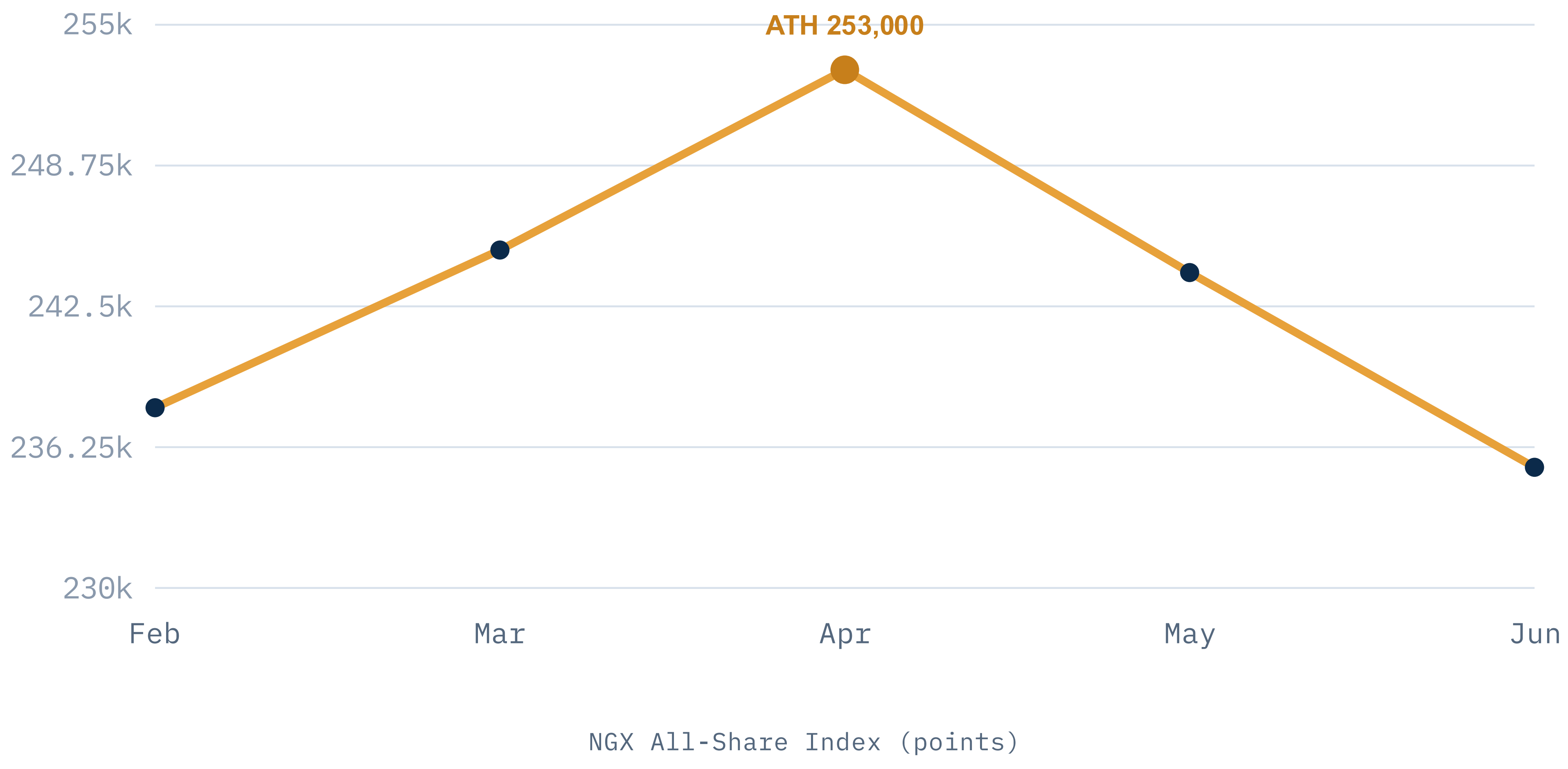
10 BERKSHIRE HATHAWAY

MARKETS & THE NEW ECONOMY

DOMESTIC STOCK MARKET · NGX

THE MODERATE CORRECTION WILL CONTINUE

The NGX is facing a correction, as the All-Share Index slipped in June



The ASI reached an all-time high (ATH) of **253,000 pts** in April, then corrected to **235,356 pts** by June.

Banks are leading the correction

The Fed's hold and US–Iran peace talks drew capital to US markets

Foreign investors exited local equities for US IPO allocations

Domestic investors liquidated to fund the Refinery private placement

INVESTMENT RISKS: IS THERE A BUBBLE?

P/E RATIOS IN FOCUS

NGX	Airtel	Dangote	MTN	FirstHoldCo
46.8x	16.4x	16.0x	14.4x	11.0x

NGX is the outlier, well above earnings support; peers backed by earnings

Bubbles form when prices outpace fundamentals — earnings, growth, economic reality

Evident in extreme overvaluation: P/E of **30x, 40x+** with no earnings support

Eventually investors take profit, prices fall fast, and speculators lose

Investor portfolio reallocation to push market demand

Hedge funds and FPIs will continue carry trade, pushing the naira lower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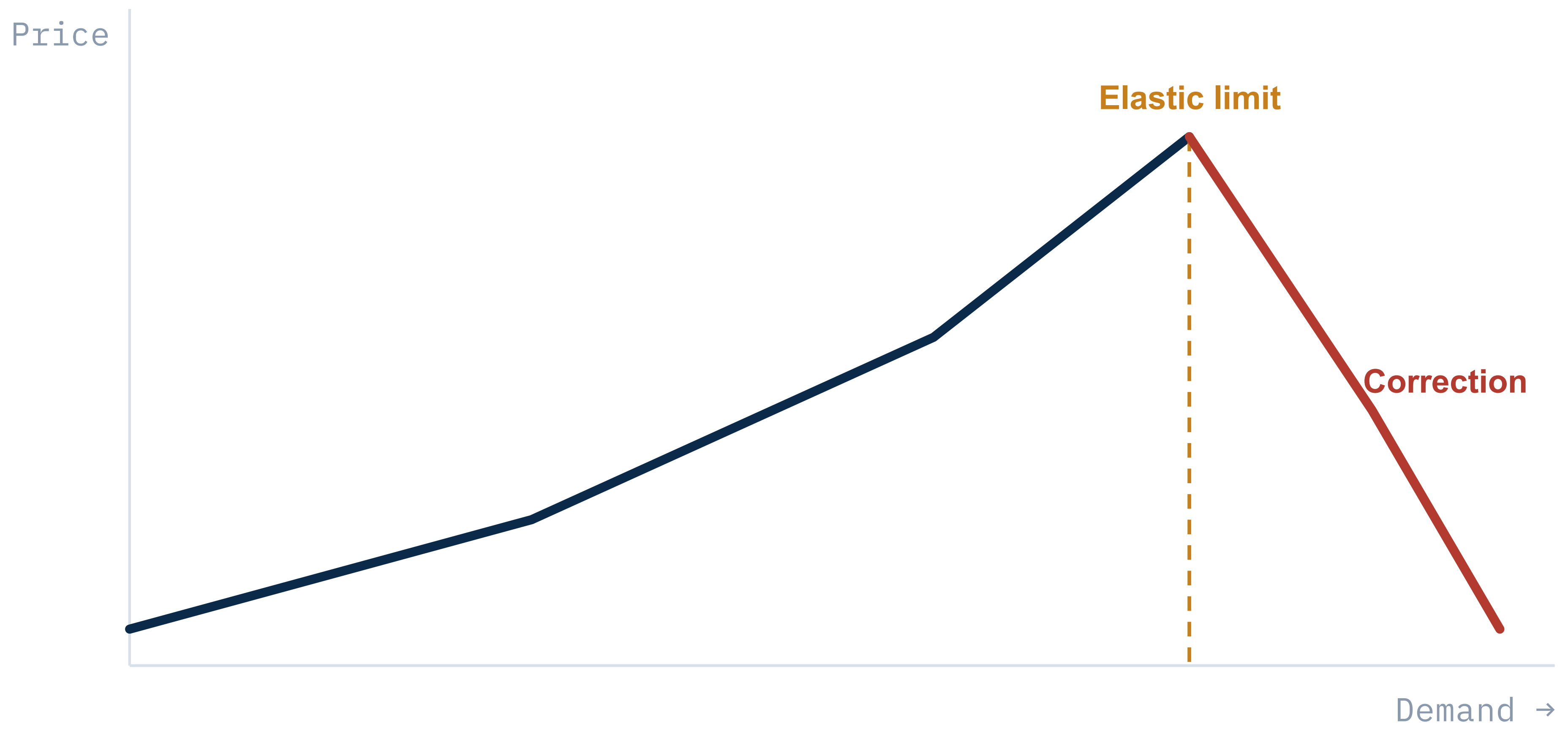
MAJOR RISK: A REAL ESTATE BUBBLE

Real estate market correction underway as demand and price disequilibrium persists



Prices rise until supply overwhelms demand — then correct sharply

WHY A CORRECTION LOOMS

Oversupply of properties from overbuilding

Supply curve shifts right — excess inventory

Rents keep rising, cutting affordability

Rising delinquency and mortgage defaults

Property prices fall sharply, triggering a crash

WHERE TO INVEST: A TIME FOR CAUTION

With elections, record 2026 gains and rising geopolitical risk, investors may benefit from rotating into **defensive stocks** that produce price-inelastic goods.

MTN NIGERIA

+41.6%

Q1 revenue growth YoY, to ₦1.498trn — data & fintech led

+169.6%

Profit Before Tax, to ₦546.4bn

₦546.4bn

FIDSON

+21.7%

Q1 revenue growth YoY, to ₦42.60bn

+40.3%

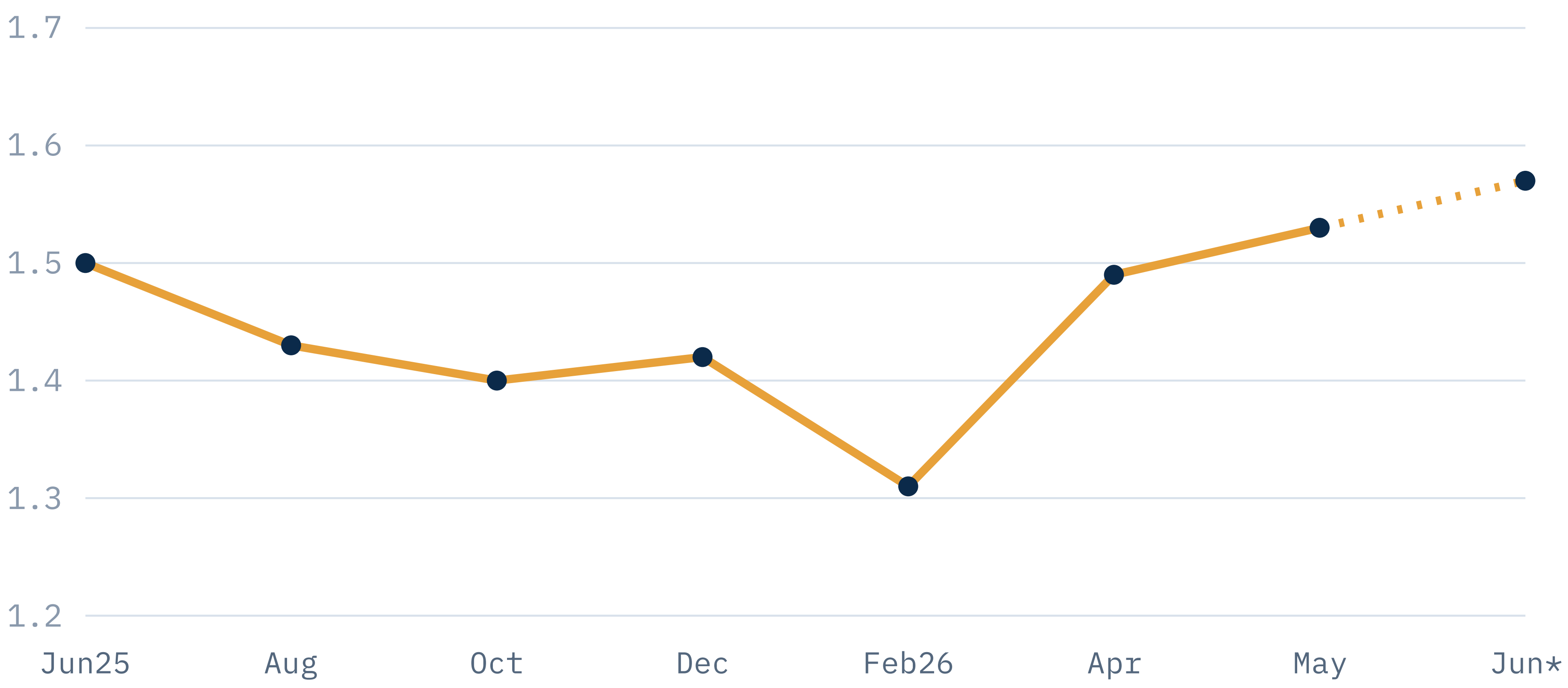
Profit After Tax, to ₦4.56bn — set to outperform the sector and GDP

IMPACT OF AN OIL PRICE FALL ON CORPORATE EARNINGS

SECTOR	WHAT-IF: EXPECTED IMPACT OF LOWER OIL	OUTLOOK
Consumer goods	Lower energy and logistics costs; cheaper products lift disposable income and sales volume	↑
Oil & gas	Upstream revenue drops immediately; midstream and downstream gain on lower carrying and procurement costs	↓
Financial services	Net interest margins compress, but broad cost relief lowers NPLs and impairment charges	↓
Industrial goods	Lower raw-material import costs; heavy operations gain from reduced energy expenses	↑
Telecoms	Lower tower-powering and diesel costs; cheaper living lifts subscriber wallet share for data	↑
Agriculture	Sharp drop in haulage and transport costs; cheaper petroleum-based fertilizer inputs	↑

OIL OUTPUT IS LIKELY TO INCREASE

Oil production set to gradually improve on additional investments



Oil production (mbpd) · * forecast · Source: OPEC, FDC Think Tank

Output rose to **1.53mbpd** in May — a 2.68% gain on April's 1.49mbpd

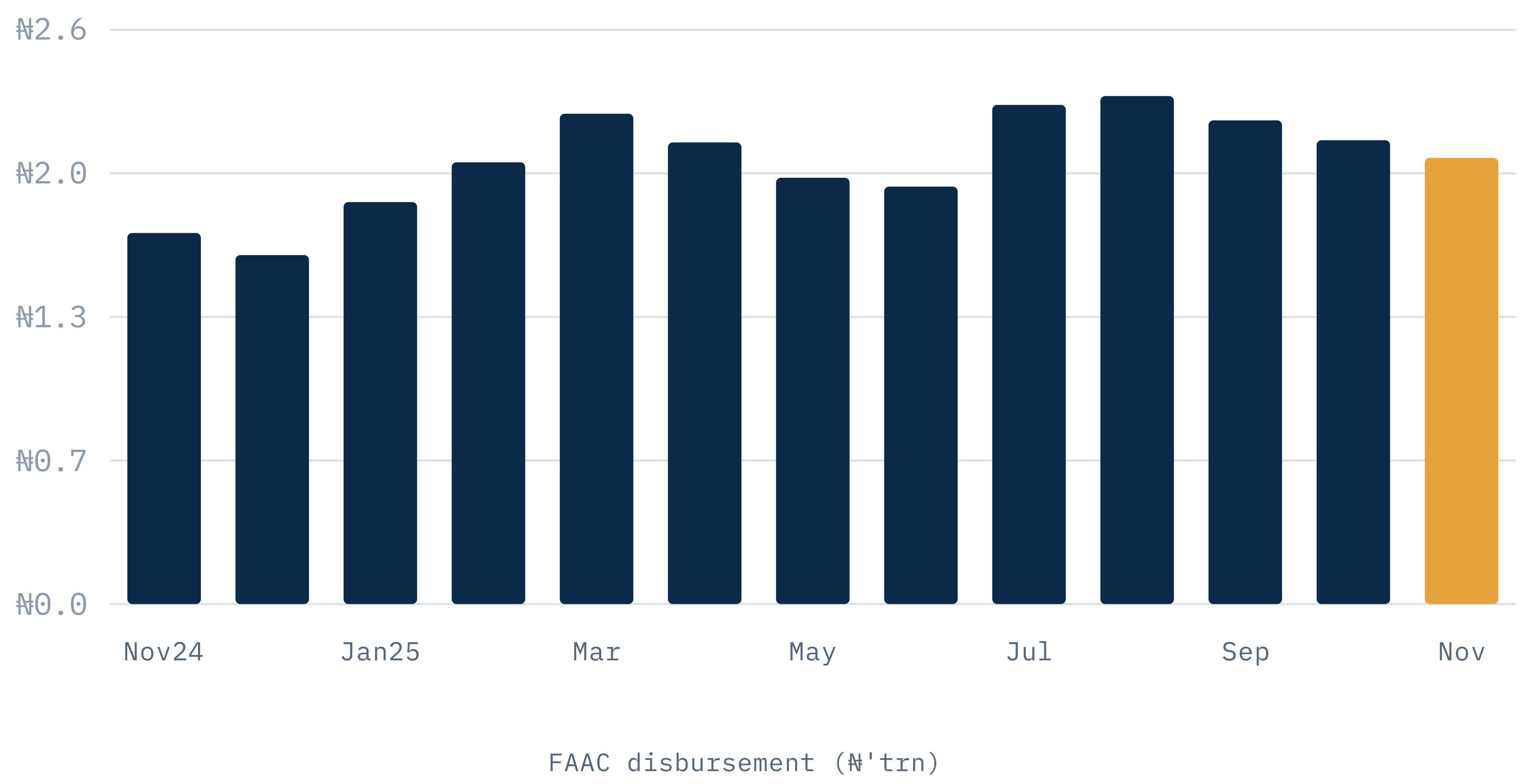
Driven by the absence of major disruptions and improved operational stability

Shell's **$20bn** deepwater project is nearing a final a final investment decision

Expected to add **~220,000 bpd** in the near-to-to-medium term

FAAC WOULD FALL AS OIL PRICES DECLINE

Incoming FAAC disbursements to marginally dip as oil prices soften



Higher oil prices lifted FAAC in March, April and May

Distributions rose **21.69%** to **₦2.3trn** in May, from ₦1.89trn in February

June and July may dip marginally as global oil prices prices fall

The driver: a peaceful US–Iran agreement easing the easing the risk premium

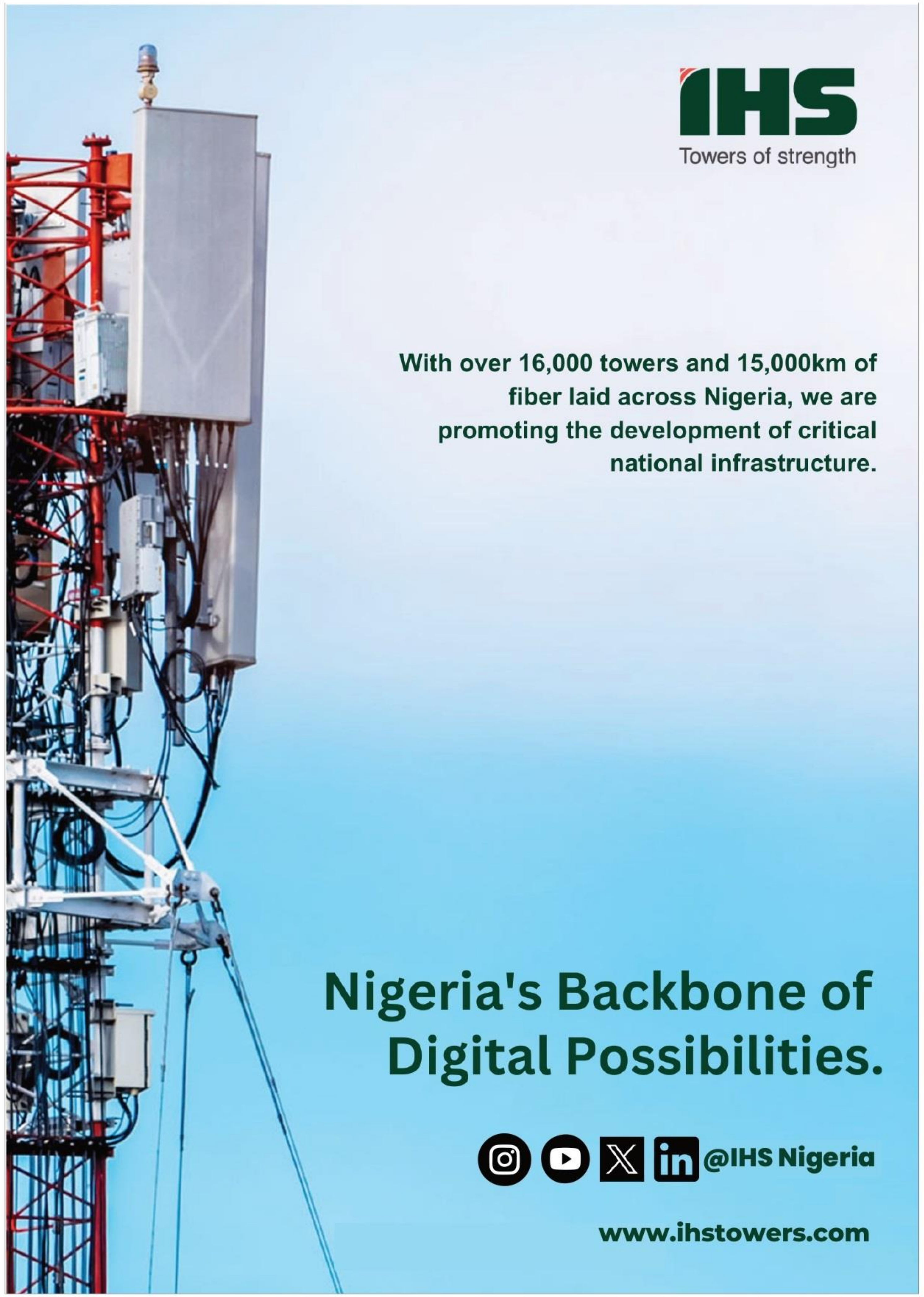
SHIPS AWAITING BERTH ARE RISING

PORT	MAY'26	JUN'26	JUL'26*
Lagos — Apapa	0	3	4
Lagos — Tin Can	9	8	8
Warri Port	6	6	7
Lekki Deep Sea	6	6	6
Calabar / Onne / Rivers	0	0	0
Total	**21**	**23**	**25**

Ships awaiting berth rose **9.52%** to 23 in June, from 21 in May
Following the US–Iran MoU and the reopening of reopening of the Strait of Hormuz

Expected to rise further as commodity prices fall and fall and firms restock

Christmas orders will pull shipping and imports imports forward in 2026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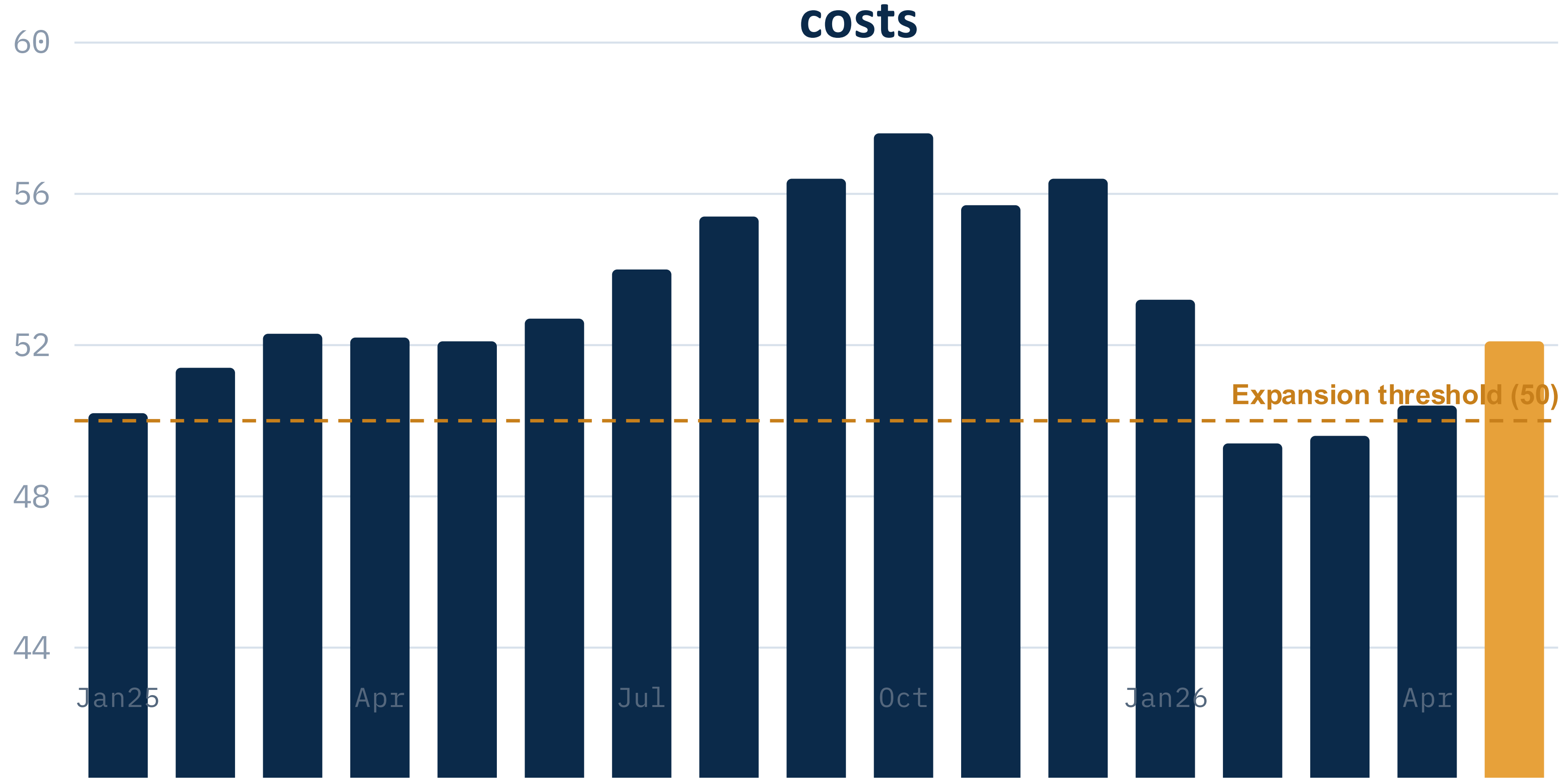
PMI TO RETURN TO EXPANSION IN H2'26

Private sector activities will pick up in H2 2026, barring any shocks to operating costs



CBN PMI · 50 = expansion threshold · * forecast

The CBN PMI stayed in contraction in May, edging up to **49.6** from 49.4

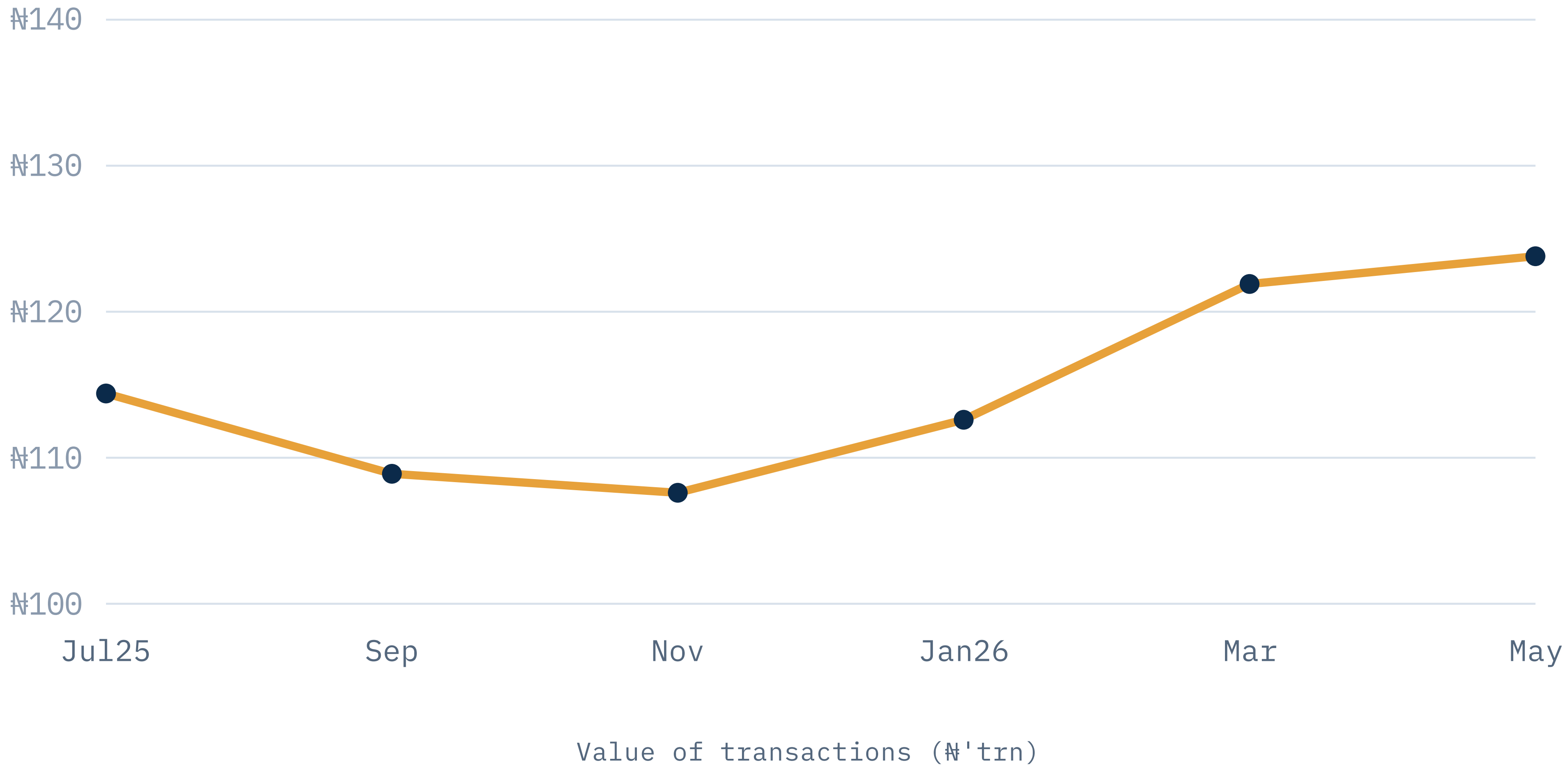
Raw materials and new-orders indices remained remained in contraction across sectors

Expected back in **expansion territory in H2'26**

Supported by easing energy costs, recovering recovering supply chains and restocking

TRANSACTION VALUES WILL REBOUND IN H2'26

E-channel transactions to rebound in H2 2026 as business activities improve



MODE	MAY	JUN	CHG%	JUL*
NIP	108.70	109.42	+0.66	112.21
POS	7.51	7.89	+5.06	7.97
NEFT	5.44	5.55	+2.02	6.29
Cheques	0.22	0.22	-1.38	0.23
Total	**121.87**	**123.08**	**+1.46**	**126.70**

Bumper business activity to support higher transaction volumes and values in H2’26

Seasonal inventory restocking ahead of the festive period to boost payment transactions

Lower energy and transportation costs will support commercial activity and stimulate higher transaction values

MARKETS & THE NEW ECONOMY

AVIATION

GLOBAL AIR TRAVEL DECLINES FOR A SECOND MONTH

–2.2%

global passenger traffic, YoY in in May (IATA)

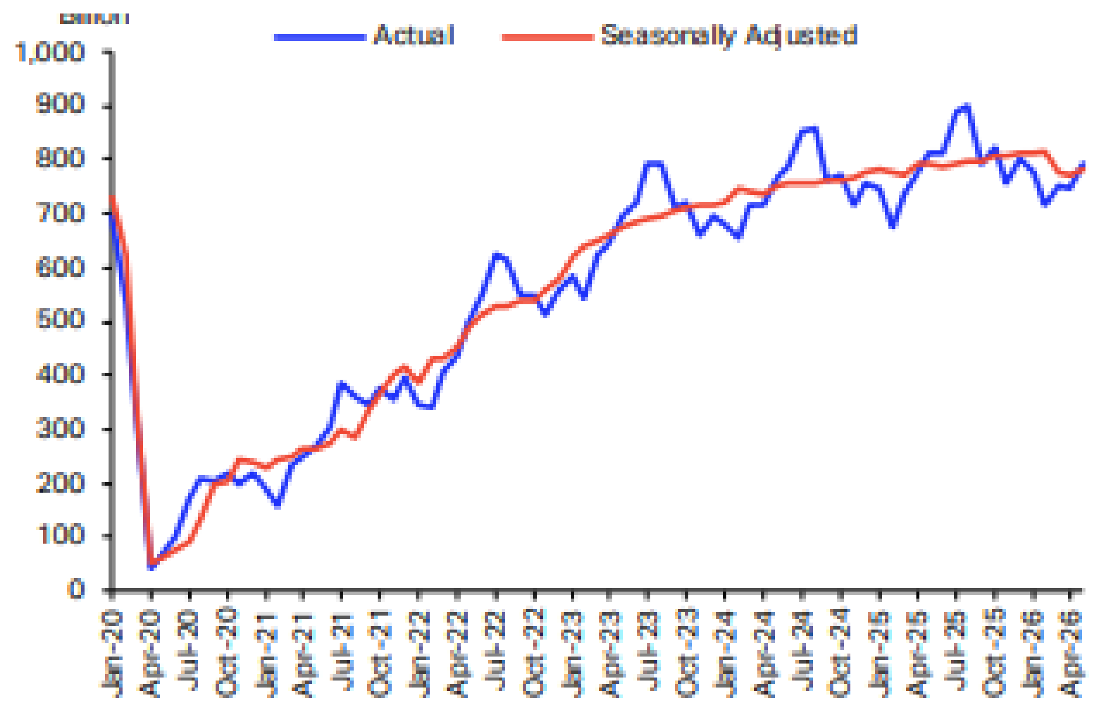
–28.4%

Middle Eastern carriers — the the steepest fall

+6.6%

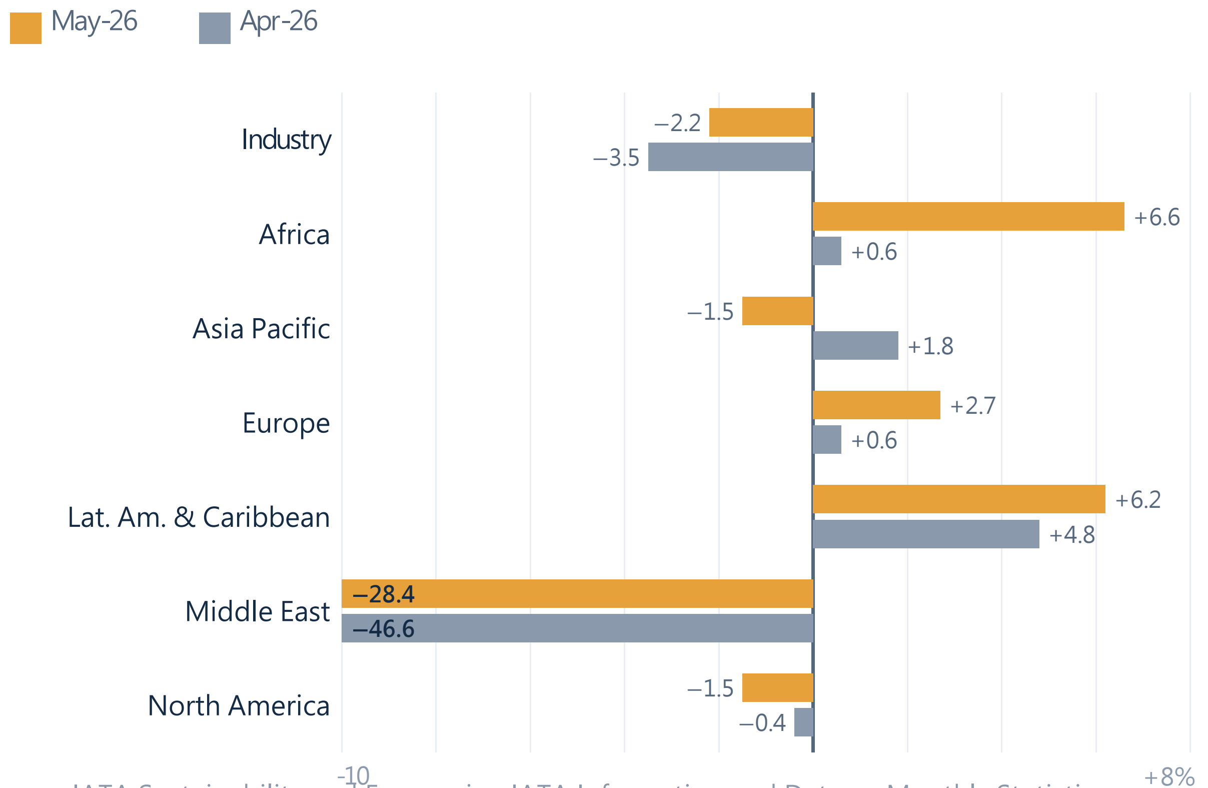
African carriers — strongest growth among regions

GLOBAL RPK, BILLION



Source: IATA Sustainability and Economics, IATA Information and Data — Monthly Statistics

RPK GROWTH BY REGION, YoY %



Source: IATA Sustainability and Economics, IATA Information and Data — Monthly Statistics

The May decline extends the contraction seen in April

Asia Pacific and North American carriers also recorded declines

BORDER OPENNESS SHAPES TOURISM & AVIATION

Visa-free and visa-on-arrival policies fuel regional mobility, tourism and aviation.

- **More open & connected**
  Rwanda, Benin, Ghana, Kenya, Seychelles
- **More restrictive**
  Algeria, Morocco, Nigeria, South Africa

JET FUEL PRICES RETREAT ON US–IRAN DE-ESCALATION

–54%

jet fuel — from ~$242/bbl at the peak to ~$112/bbl

–15–18%

Brent crude, off recent conflict-driven highs

~25

Strait of Hormuz vessels/day — up up from 10–11, still below the 120–120–140 norm

Progress toward a US–Iran peace agreement has eased fears over global oil supply disruptions

Lower fuel costs flow straight to airline margins in H2 2026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IMPACT ON GLOBAL AVIATION

Improved operating margins support stronger airline earnings in H2 2026

Lower cost pressure reduces the need for further airfare increases

Extra cash flow helps manage delivery delays, maintenance backlogs and supply-chain constraints

Improved profitability has boosted investor sentiment sentiment toward aviation stocks

Easing Middle East tensions reduces disruptions and airspace risk, supporting efficient routing and scheduling

RIPPLE EFFECT ON THE NIGERIAN ECONOMY

70%

of Nigeria's export earnings come from crude oil

50%

of government revenue depends on oil

A $10/pb drop could weaken export earnings, fiscal revenues and FX inflows

Prolonged weakness could slow growth in Nigeria's **$50bn+** external reserves

Lower jet fuel prices could pressure Dangote's export revenues after April exports hit **615m litres**

WHO SETS AIRLINE TICKET PRICES

Fuel costs

Jet fuel is the single largest swing factor in airline economics.

Operating costs

Leasing, maintenance, labour, airport and navigation fees.

Taxes & fees

Government taxes, security charges charges and airport levies.

Competition

More airlines on a route lower fares; limited competition raises them.

Passenger demand

Fares rise in peak periods and as flights fill up.

25–35%

of airline operating costs are jet fuel

WORLD CUP 2026 BOOSTS US AIR TRAVEL

1.24M

international visitors projected to travel to the US for the World Cup

742,000

of those are expected to be incremental trips

+37%

rise in international bookings since the match schedule was schedule was announced

> The US State Department expects **5–7 million** travellers for travellers for the tournament.

MARKETS & THE NEW ECONOMY

THE NEW ECONOMY

THE CREATIVE ECONOMY & THE OIL PRICE

WHEN OIL WAS $60/PB

Strong household discretionary spending

Growth in film, music and live events

Consistent corporate advertising and brand partnerships

ABOVE $100/PB

Squeezed disposable income

Lower discretionary spending

Shift to digital platforms

Tighter project budgets

NOW $72/PB

Gradual recovery in discretionary spending

Corporate advertising stays cautious and ROI-driven

Preference for digital content persists


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DRIVERS OF CREATIVE ECONOMY ACTIVITY (Q3'26)

DEMAND

Household discretionary spending

Corporate advertising, sponsorships & brand partnerships

Seasonal events and the entertainment calendar

TECHNOLOGY

Streaming platforms & digital content

Social media penetration

Internet and broadband access

Artificial Intelligence

CONSTRAINTS

Weak purchasing power · rising insecurity · heavy seasonal rainfall (outdoor events) · elevated operating and production
production costs

CREATIVE ECONOMY: OUTLOOK FOR H2 2026

Seasonal slowdown in July as heavy rainfall disrupts events and mobility

Rising insecurity shifts consumption toward streaming over physical experiences

More YouTube film releases as low-cost distribution expands

Afrobeats demand remains strong globally

Weaker discretionary spending on constrained disposable income

WORLD CUP TURNOUT SURPRISE

65,000+

average attendance per match — above expectations

281,223

all-time single-day record, beating the 277,070 mark from 1994

Analysts had expected weaker attendance — citing geopolitics, geopolitics, stricter US visa policy and high ticket prices

Strong turnout highlights resilient demand for premium live experiences

3

PART THREE

ECONOMIC INTEGRATION VS. XENOPHOBIC DISINTEGRATION

XENOPHOBIA: A HISTORICAL PERSPECTIVE

"The irrational fear or dislike of people from different countries or cultures, often resulting in discrimination and social exclusion."

— UNESCO

Xenophobia usually occurs **after economic downturns**.

HISTORIC EVENTS

Mexican Repatriation (1929–1936)

The Holocaust (1939–1945)

Japanese Internment, US & Canada (1942)

Ugandan Asian Expulsion (1972)

Ghana Must Go (1983)

Rwandan Genocide (1994)

South African Xenophobia (2008–present)

Nigeria Must Go (2025)

SOUTH AFRICA & NIGERIA: TRADE & INVESTMENTS

SOUTH AFRICAN COMPANIES IN NIGERIA

MTN Group — telecoms ($10.96bn)

Standard Bank Group — finance ($1.88bn)

MultiChoice / DStv & SuperSport — media

Old Mutual — finance

Pepkor — retail · Sasol — oil & gas

South African Airways · SA Breweries

NIGERIAN COMPANIES IN SOUTH AFRICA

Dangote Cement — manufacturing

Access Bank, Zenith Bank, FirstBank — banking

Oando PLC — oil & gas ($422.42mn)

Flutterwave & Interswitch — fintech

Air Peace — aviation

TOTAL TRADE Q1'26

$752.88m

EXPORTS

$640.74m

IMPORTS

$112.14m


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IMPLICATIONS FOR NIGERIA & SOUTH AFRICA

Decline in bilateral trade relations

Possible hostilities against South African companies in Nigeria

Reduced remittances and income loss for Nigerians in South Africa

Pressure on Nigeria's unemployment situation

Weakening of intra-African economic integration

Investor-sentiment spillover

Diplomatic tensions and retaliatory economic actions

XENOPHOBIA: A THREAT TO SOUTH AFRICA'S TOURISM

ECONOMIC CONSEQUENCES CONSEQUENCES

Tourism contributes ~**8–9% of GDP**

Supports over **1.5 million** direct and indirect jobs across hospitality, retail and transport

Every lost visitor affects multiple sectors beyond tourism

IMPACT ON TOURISM DEMAND

Declining international arrivals after major xenophobic xenophobic outbreaks

Lower hotel occupancy and reduced spending on accommodation, restaurants and attractions

Reduced foreign-exchange earnings from tourism

IMPACT OF XENOPHOBIA ON THE CREATIVE ECONOMY

Rising xenophobic attacks restrict cross-border talent mobility and creative collaboration

Trigger widespread cancellations of concerts, premieres and cultural festivals

Weaken Africa's creative competitiveness and growth

61%

South Africa's share of E&M revenue across Africa's three largest markets — worth **$17bn**

REGIONAL INTEGRATION: A FAR CRY?

Africa is rich in regional bodies — but integration in practice remains elusive.

ECCAS — Economic Community of Central African States

EAC — East African Community

CEN-SAD — Community of Sahel-Saharan States

ECOWAS — Economic Community of West African States

AfCFTA — African Continental Free Trade Area

SADC — Southern African Development Community

LEST WE FORGET “A” — ALAN GREENSPAN: END OF AN ERA

American economist and **13th Chairman of the Federal Reserve** (1987–2006)

Coined the phrase *"Irrational Exuberance"*

Author of *The Age of Turbulence*

Co-founded consulting firm Townsend-Greenspan & Co. in the 1950s

A musician — studied saxophone and clarinet in his early years

years

Though a Republican, worked harmoniously with presidents of both

presidents of both parties

A symbol of Fed autonomy and independence

LEST WE FORGET "B"— CENTRAL BANKS REMAIN AUTONOMOUS

The Supreme Court has temporarily protected **Lisa Cook** from Trump's firing attempt

Sending the dispute back to lower courts

Reinforcing the Fed's independence

New Fed Chair **Kevin Warsh** is prioritising the fight against inflation and the Fed's independence

Even as Trump pushes for lower rates, the Fed has held has held firm and remained autonomous


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NEW TIGHTENING IN THE GLOBAL MARKET

CENTRAL BANK	INFLATION (%)	POLICY RATE (%)	RATE–INFLATION GAP	JULY FORECAST*	PROBABILITY
US — Federal Reserve	4.2	3.75	−0.45	**3.75 (hold)**	High
UK — Bank of England	2.8	3.75	+0.95	**3.75 (hold)**	High
Eurozone — ECB	3.2	2.40	−0.80	**2.40 (hold)**	High

Major central banks have either held or raised rates

The trend continues in July as falling energy prices ease inflation expectations

The CBN is likely to take its cue, keeping the policy rate steady at **26.5% p.a.**

4

PART FOUR

THE NEXT 60 DAYS: OUTLOOK

OUTLOOK — JULY / AUGUST

Global warming effects to intensify — higher rainfall and a delayed August break

Headline inflation projected to rise closer to **16%**

The MPC will maintain the status quo; may tinker with with the CRR as money-supply saturation emerges emerges

The Bank of England likely holds at **3.75%** on July 30

The Fed will also hold at **3.75%** p.a.

Brent will test **$65–$68/pb**

The Strait of Hormuz will remain mostly open

PMS prices will drop further, toward **₦900/litre** — below the landed cost of imports

OUTLOOK — JULY / AUGUST

Diesel will fall to **₦1,400/litre**

Dangote Refinery entrenched as the price leader in an intense rivalry

Many importers will issue new Eurobonds at higher rates

Carry-trade investors will keep milking the Nigerian arbitrage corridor

The stock market will give up some more of its gains

Investors and speculators converge as the IPO frenzy frenzy continues

Gold will stabilise at **$4,200/oz**

A minimum-wage adjustment of **30%** is likely

Christmas orders and imports will commence in July


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Insanity is a perfectly rational adjustment to an insane world

-**R.D. Laing**

The only place where success comes before work is in the dictionary

- Vidal Sassoon

A politician is a fellow who will lay down your life for his country

- Texas Guinan

Wall Street is the only place that people ride in a Rolls-Royce to get advice from those who take the subway

- Warren Buffett

Any fool can know. The point is to understand

- Albert Einstein

The problem with having an open mind, of course, is that people will insist on coming along and trying to put things in it

- Terry Pratchett

Instead of giving a politician the keys to the city, it might be better to change the locks

-Doug Larson

Experience is the name everyone gives to their mistakes

-**Anonymous**

It is a slowdown when your neighbor loses his job, when you lose your job, it is a recession and when an economist loses his job it is a depression

- Ronald Reagan

To steal ideas from one person is plagiarism. To steal from many is research

- Steven Wright

I've learned that pleasing everyone is impossible, but pissing everyone off is a piece of cake

- Anonymous

Barking dogs never bite-at least not while they're barking

- Louis A. Safian

The way to get started is to quit talking and begin doing

- Walt Disney

It is not enough to be busy, so are the ants. The question is: What are we busy about?

- Henry David Thoreau

There is nothing so useless as doing efficiently that which should not be done at all

- Peter Drucker

Goals are good for setting a direction, but systems are best for making progress

- James Clear

Although your customers won't love you if you give bad service, your competitors will

- Kate Zabriskie

Having knowledge but lacking the power to express it clearly is no better than never having any ideas at all

- Pericles

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