

**Economic &
Financial Market
Review**

January 2025 Edition



SAMTL
...adding value



**The Return of
PRESIDENT
TRUMP:**

Implication for the Global Economy and Nigeria

FOLLOW US

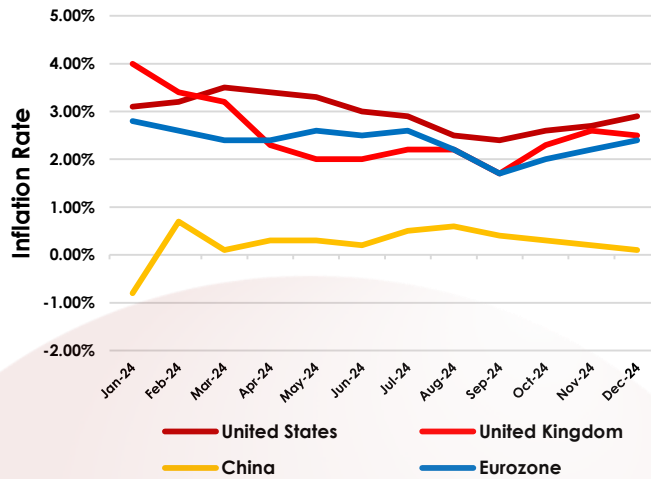


samtling

Global Economy

Monthly Report: January 2025

December inflation data for key economies released in January indicates that Y-o-Y, general price level moderated in United Kingdom and China but increased in US and Euro area.



December Inflation Drivers

- Higher energy, transportation and food prices
- Energy prices stabilisation and lower food prices
- Higher energy and services prices.
- Weak domestic demand and decline in food prices.

M-O-M Inflation

	Food Prices		Core Prices	
	JAN'24	DEC'24	JAN'24	DEC'24
	2.6%	2.5%	3.9%	3.2%
	6.9%	2.0%	5.1%	3.2%
	5.5%	1.9%	3.3%	2.7%
	-5.9%	-0.50%	0.4%	0.4%

In the Euro-Area, Inflation went up in the major countries in the region

Country	Nov	Dec	Change	YoY
Germany	-0.20%	0.50%	0.70%	2.60%
France	-0.10%	0.20%	0.30%	1.30%
Spain	0.20%	0.50%	0.30%	2.80%
Italy	-0.10%	0.10%	0.20%	1.30%

DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

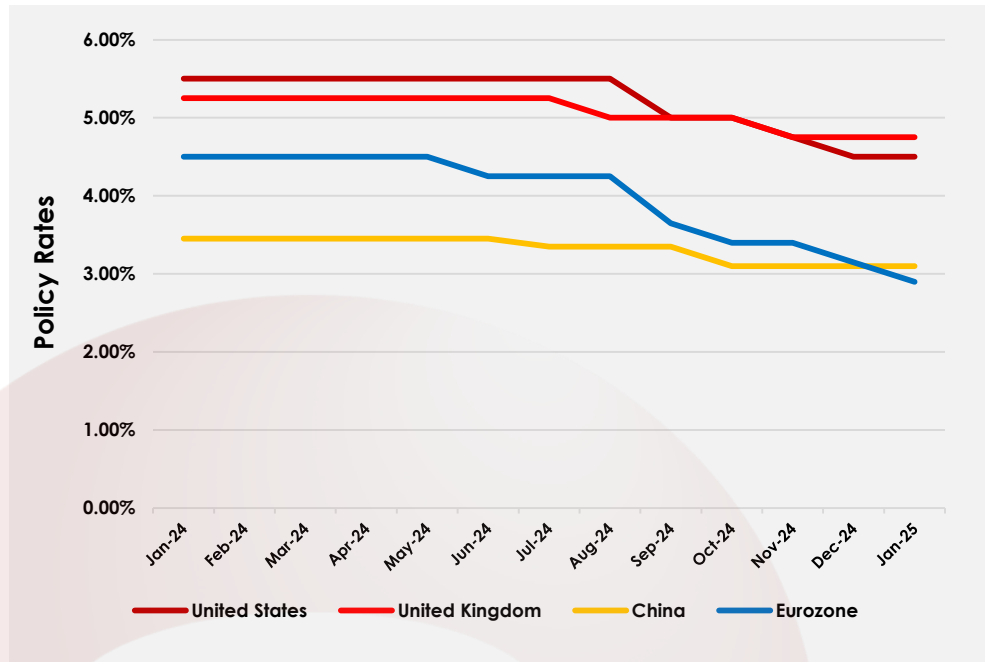
Global Economy – Cont'd

Monthly Report: **January 2025**

Despite December rise in inflation, the US fed held policy rate in its January meeting contrary to Trump's advocate for rate cut.

Reason

- To assess the persistent inflationary pressures since September 2024.
- Monitor economic data as global and US inflation outlook remain uncertain due to the likely impact of the implementation of the Trump policies.



The US fed had earlier forecasted two rate cuts this year, instead of the initial four proposed in September 2024.

European Central Bank.

In the Euro Area, the European Central Bank (ECB) cut rate despite the rise in inflation since October 2024

The cut in policy rate is a response to global trade uncertainties and economic growth concerns.

**ECB CUTS
INTEREST
RATES AGAIN**



Photo: Yahoo finance

The People's Bank of China (PBOC) held policy rate to support economic growth, ensure liquidity, and control inflation.

The United kingdom is yet to announced its interest rate for January. Despite concern that inflation will rise again, analysts expect a rate cut due to inflation easing to 2.5% in December 2024 and also because of slow growth experienced in the country.

DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

Global Economy – Cont'd

Monthly Report: **January 2025**

On February 1, 2025, executive orders signed by President Trump introduced a 25% tariff on goods from Mexico and Canada and a 10% tariff on imports from China.

The decision to raise tariffs stemmed from concerns over the growing U.S. goods trade deficit, which reached \$1.2 trillion in 2024.



Breakdown of the U.S. Trade Deficit with Selected Countries in Billions of Dollars (December 2024)

Country	Value	Country	Value
China	25.3	Ireland	6.2
European Union	20.4	South Korea	5.6
Mexico	15.2	Japan	5.5
Switzerland	13.0	India	4.9
Vietnam	11.4	Italy	4.1
Canada	7.9	Malaysia	2.5
Germany	7.6	France	1.1
Taiwan	6.9	Israel	0.8

Trump's tariffs have been criticized by most economist for potentially harming the U.S. economy by raising costs and not addressing the broader macroeconomic factors influencing the deficit.



To address the concerns of President Trump, Mexico and Canada committed to enhancing border security measures, which led to the U.S. pausing tariffs on their goods for **30 days**. However, tariffs on China remain in effect.

DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

The expiration of the 30-day tariff pause without a policy reversal could trigger a situation similar to the 2018–2019 trade standoff under Trump.

Trump tariff policy and key economic metrics 2016 - 2019

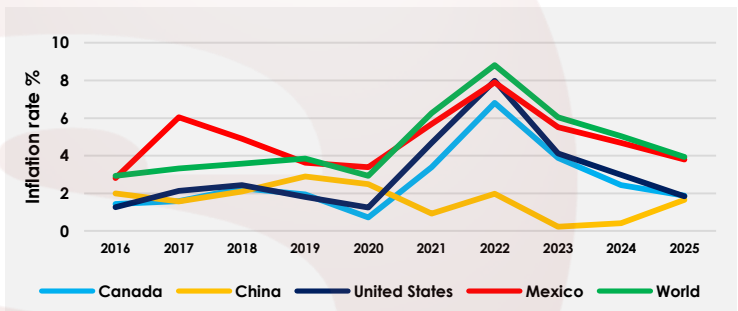
REDUCED TRADE DUE TO SUPPLY CHAIN DISRUPTIONS



	2016	2017	2018	2019
World Trade growth %	2.19	5.54	3.97	1.19

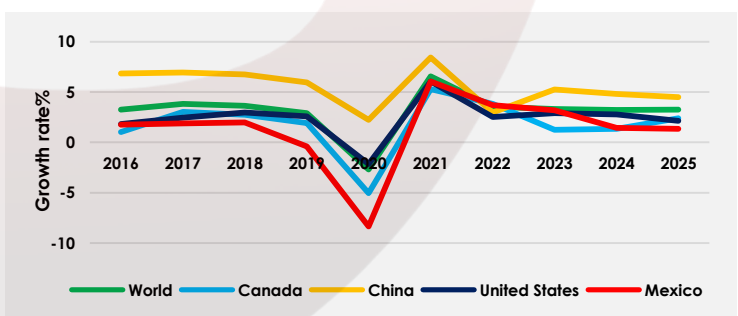
LIKELY REBOUND OF INFLATION AS A RESULT OF INCREASE PRODUCTION COST

	2016	2017	2018	2019
World	2.94	3.33	3.58	3.84
China	1.99	1.58	2.09	2.91
US	1.27	2.13	2.44	1.81
Mexico	2.82	6.04	4.89	3.64
Canada	1.43	1.59	2.27	1.95

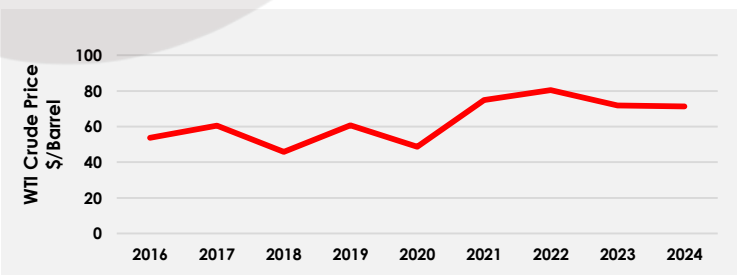


SLOWER WORLD ECONOMIC GROWTH

	2016	2017	2018	2019
World	3.23	3.84	3.63	2.9
China	6.85	6.95	6.75	5.95
US	1.82	2.46	2.97	2.58
Mexico	1.77	1.87	1.97	-0.39
Canada	1.04	3.03	2.74	1.91



	2016	2017	2018	2019
Oil Price \$/Barrel	53	60.44	45.72	60.77



DISCLAIMER











This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

African Economy

Monthly Report: **January 2025**

Inflation in African economies showed mixed outcomes in December 2024, with most countries experiencing a rise in inflation rates.

Country	Dec '25	Nov'24	Chg.%
Burundi 	36.5	28.8	7.7
Nigeria 	34.8	34.6	0.2
Malawi 	28.1	27	1.1
Angola 	27.5	28.41	-0.91
Egypt 	24.1	25.5	-1.4
Ghana 	23.8	23	0.8
Ethiopia 	17	16.9	0.1
Zambia 	16.7	16.5	0.2
Rwanda 	6.4	3.4	3
Tunisia 	6.2	6.6	-0.4

December Inflation Drivers

- Higher energy
- Increase in food prices
- Exchange rate depreciation
- Supply chain disruption
- Festive season demand













Burundi having the highest inflation growth rate of 7.7% from its November rate.



Algeria moved from inflation in November to deflation in December.

Most African countries are likely to hold interest rates this month to assess the potential impact of Trump's tariff policy on their economies.



Country	Policy rate	Date of Next MPC Meeting
Burundi 	12.00%	N/A
Nigeria 	27.50%	20 th Feb.
Malawi 	26.00%	N/A
Angola 	19.50%	18 th Mar.
Egypt 	27.25%	20 th Feb.
Ghana 	27.00%	31 st Mar
Ethiopia 	7.00%	N/A
Zambia 	14.00%	12 th Feb
Rwanda 	6.50%	N/A
Tunisia 	8.00%	N/A

Likely Impact of Trump's tariff policy on African Economies

Although Trump's tariff policy may create opportunities for African countries to capture market share if the region can increase competitiveness, it may also have the following impacts on the region:



Higher Import costs



Volatility in commodity prices



Disruption in trade relations



Currency depreciation



Reduced investment inflows

DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

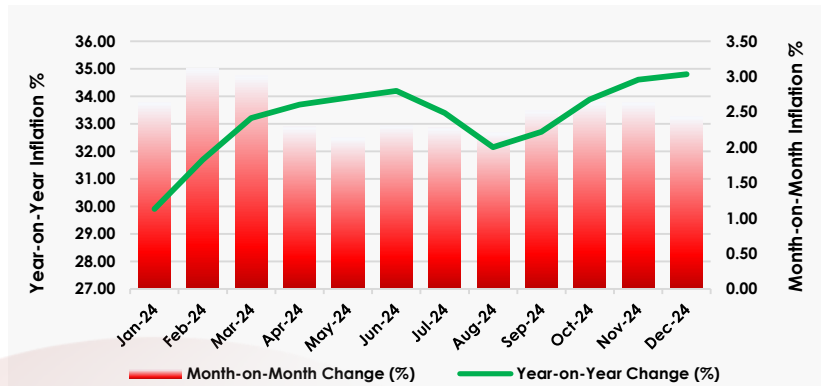
Nigerian Economy

Monthly Report: **January 2025**

Inflation

The year-on-year (YoY) general price level increased largely due to festive season demand, which exerted upward pressure on core inflation, leading to a 0.53% rise from 28.75% in the previous month.

YoY Average Inflation in 2024 was approximately 33.18% which is 8.66% higher than the average of 2023

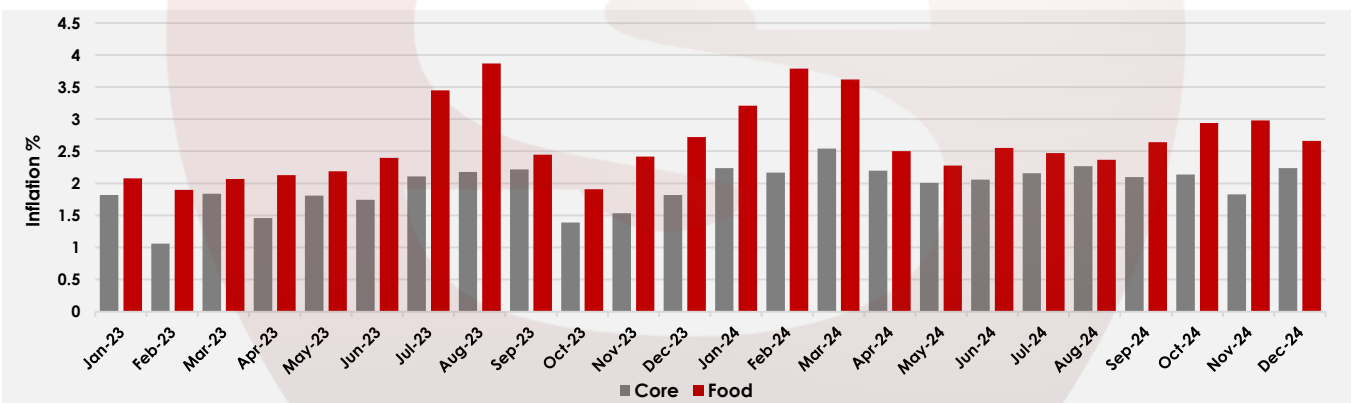


Despite the increase in inflation YoY, the growth rate eased by 0.52% due to a decline in food prices, which fell to 39.84% from 39.93% in the previous month

Factors responsible for the decline are;

- **Relative stability of the exchange rate**
- **PMS price reduction**
- **Efforts of government to boost food supply**

These factors moderated the increase in festive/holiday spending and resulted in a decline in month-on-month (MoM) inflation



Outlook

Despite increase in PMS prices and Increase liquidity in the system, In the month of January, inflation is expected to drop due to;

1. **Relative stability in the exchange rate since the last MPC meeting.**
2. **Conscious effort of government to increase food output**
3. **Low demand effect in January**
4. **The dynamics of the inflation rebasing will play significant role in inflation reduction.**

Based on the aforementioned and the need to monitor how Trump's policy will play out, the CBN MPC is expected to hold the MPR at 27.5% during its February meeting.

DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

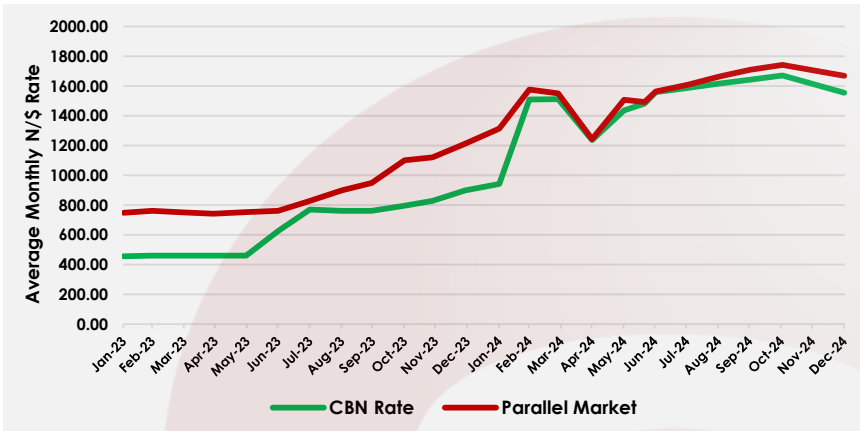
Nigerian Economy

Monthly Report: January 2025

Exchange Rate

The Naira appreciated in January, strengthening from ₦1,536.92/US\$ at the end of December to ₦1,477.77/US\$ by the close of January.

Month-to-date (MtD), the Naira appreciated by 3.75%. The official-parallel market gap narrowed from N109.15 in December to N91.10 in January



The appreciation of the exchange rate in January was driven by several factors:

- The introduction of the Central Bank of Nigeria's online trading platform.
- The introduction of the Nigeria Foreign Exchange Code.
- Increased foreign portfolio investment (FPI) inflows.
- Higher remittance inflows.
- Federal Government intervention in the foreign exchange (FX) market-

Outlook

Although speculative activities could affect the exchange rate, CBN's efforts to curb speculation and increase transparency may help support stability in the coming month. Measures such as the introduction of an online FX trading platform, the Nigeria Foreign Exchange Code, and the extension of the FX access deadline for Bureau de Change (BDC) operators to May 2025 aim to enhance price discovery and improve market confidence.

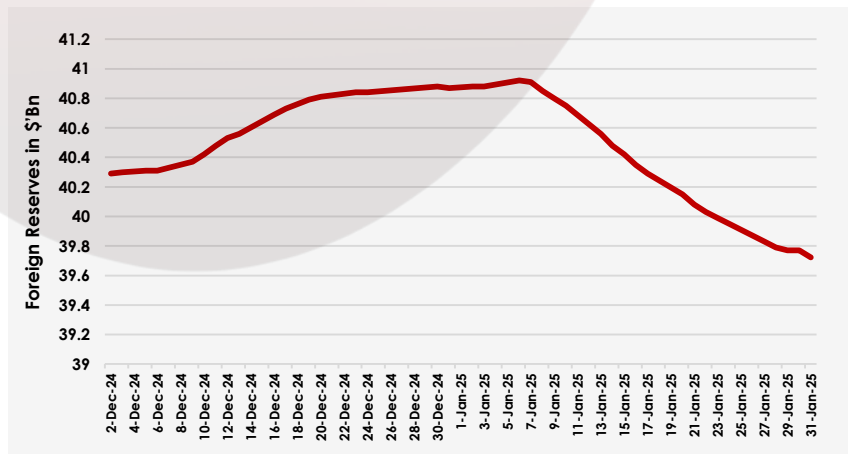
Additionally, reduced post-holiday import demand in January and lower forex demand ahead of the fasting period could further support exchange rate stability.

Foreign Reserves

Intervention in the FX market resulted in the external reserve which hits \$40.92 billion in early January to decline to \$39.72 billion dollar as of the end of January.

Another factor that depletes reserves is the need to meet debt obligations, such as servicing international debt

As at the end of January, reserves has declined by 2.8% from \$40.88 as of the end of December 2024



DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

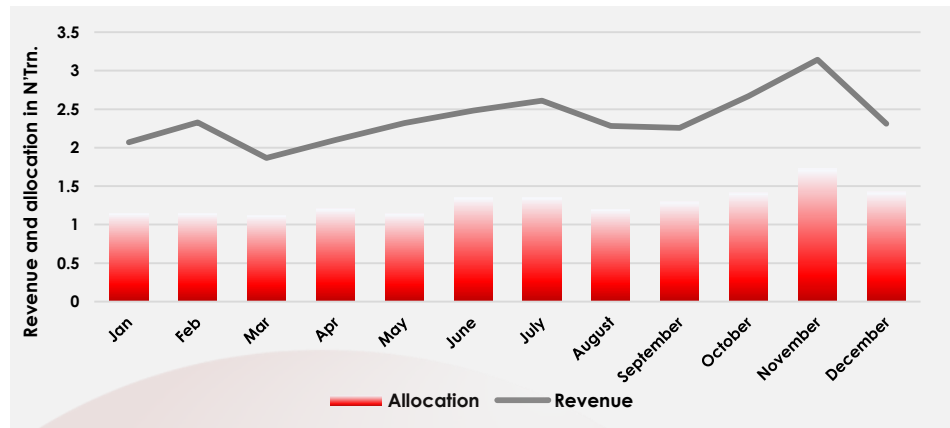
Nigerian Economy

Monthly Report: **January 2025**

FAAC

Government revenue decreased by **26.50%** in December relative to the levels in November

Owing to the drop, Total allocation to the tiers of government for December dropped by 17.54%



The decline is attributed to;

Exchange rate difference and statutory revenue which dropped by 40.02% and 15.20% from N671 billion and N386 billion In prior month.

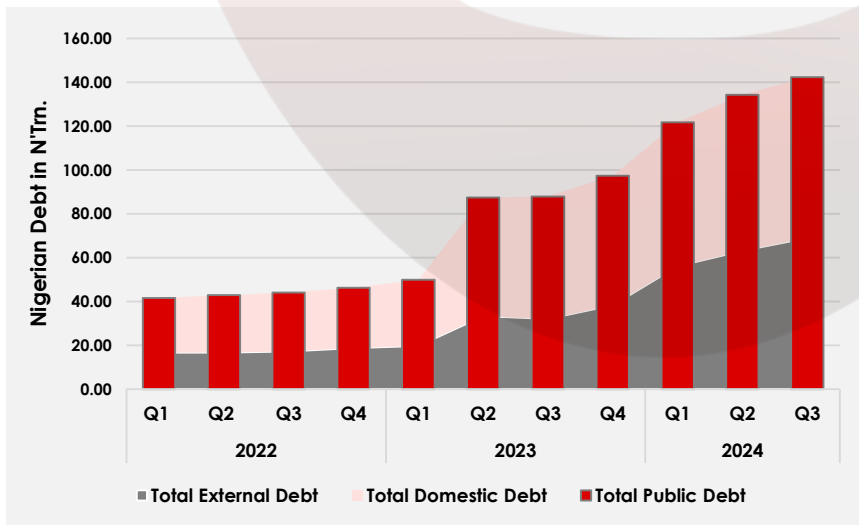
However the contribution of Electronic Money Transfer Levy (EMTL) to the distributable revenue went up by 107.44% from N15.05 billion in the previous month to N31.21 billion. Value added tax also saw an increment of 3.27% due to improved tax collection and the implementation of the EMTL levy of N50 by the Federal Inland Revenue Services charged on any electronic inflow of N10,000 and above.

Outlook

Improvements in Value Added Tax (VAT) collection and the implementation of the EMTL levy may alter the dynamics of government revenue sources.

DEBT

Public debt stood at ₦142.32 trillion as of Q3 2024 increasing by 5.97%. The major debt drivers are increased domestic borrowings and Naira depreciation.



DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

Commodities

Crude oil

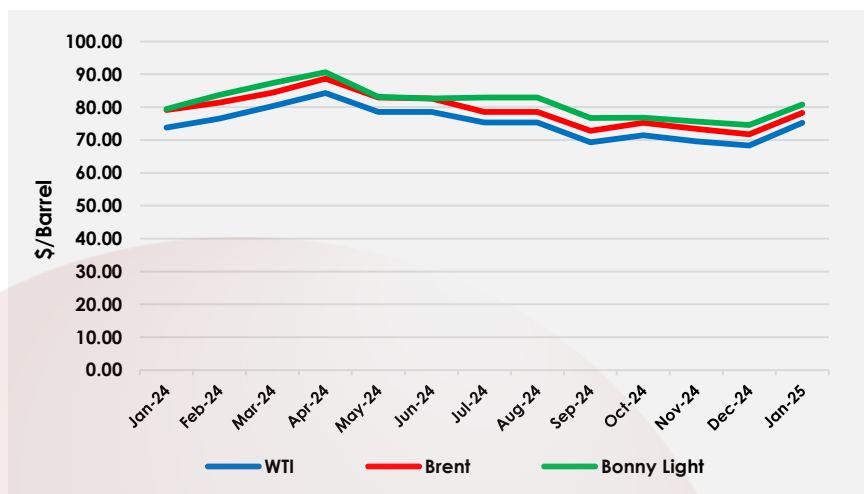
Crude oil prices increased in January with Bonny light growing the most.

Driver

Intensified U.S. Sanctions on Iran and Russia

- Severe Winter Conditions
- OPEC+ Production Cuts
- Improved Economic Outlook



YTD and MTD Bonny light, Brent and WTI grew by 5.15%, 1.93% and 1.73% respectively.



Metals and agricultural commodities

Platinum prices grew the most in January, driven by a combination of supply-side constraints, increased demand in industrial and investment sectors, and market speculation

Most agricultural product prices rose in January with the exception of Palm-oil, Rice and cocoa. upply.

	Commodities	Price Dec '24	Price Jan '25	%Chg. MoM
Metals 	Gold (USD/ T. OZ)	2653.7	2797.3	5.41%
	Silver (USD/ T. OZ)	29.113	31.281	7.45%
	Platinum (USD/ T. OZ)	896.1	1032.5	15.22%
	Lead (USD/MT)	1939.3	1955.6	0.84%
	Aluminium (USD/TONNE)	2555.4	2595.4	1.57%
	Tin (USD/MT)	29093.2	30101.4	3.47%
	Zinc (USD/MT)	2964.7	2751.4	-7.19%
Agricultural 	Wheat (USD/BU)	551.5	559.76	1.50%
	Palm Oil (MYR/MT)	4444.6	4291.7	-3.44%
	Rice (USD/CWT)	14.029	13.846	-1.30%
	Rubber (JPY/KG)	194.63	199.29	2.39%
	Sugar (CENTS/LB)	19.301	19.383	0.42%
	Soybeans (USD/Bu)	997.73	1041.8	4.42%
	Corn (USD/Bu)	458.71	482.14	5.11%
	Coffee (USD/Lbs)	320.67	377.78	17.81%
Cocoa (USD/MT)	11495.6	10980.4	-4.48%	



DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

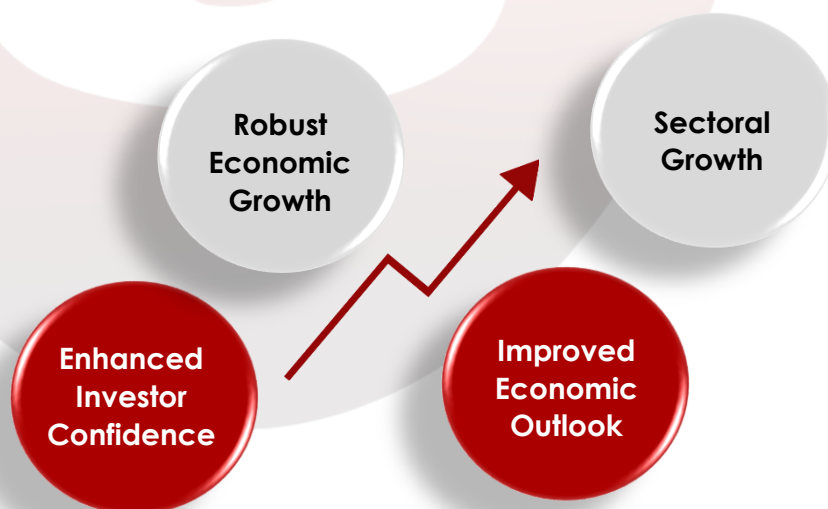
Global and African Equities

Global equities markets in January were shaped by the interplay between easing inflation, central bank decisions, and geopolitical uncertainties.

Equities market in Africa showed positive growth in January

Region	Country	Indices	Dec '24	Jan '25	Chg.%
GLOBAL 	United States	Nasdaq	19,310.79	19,627.44	↑ 1.64%
	Euro Area	Euro Stoxx 50	4,895.98	5,286.87	↑ 7.98%
	United Kingdom	FTSE 100	8,173.02	8,673.96	↑ 6.13%
	China	FTSE China A50	13,512.87	12,946.20	↓ -4.19%
	United States	S & P 500	5,881.63	6,040.53	↑ 2.70%
	Japan	Nikkei 225	39,894.54	39,572.49	↓ -0.81%
	India	Nifty 50	23,644.80	23,508.40	↓ -0.58%
	Russia	RTSI	893.22	949.50	↑ 6.30%
AFRICA 	Tanzania	DSE ASI	2,139.73	2,218.96	↑ 3.70%
	Morocco	MASI	14,773.19	16,248.20	↑ 9.98%
	Ivory Coast	BRVM Comp	276.02	277.9	↑ 0.68%
	Ghana	GSE CI	4,888.53	5,229.44	↑ 6.97%
	Kenya	NSE ASI	123.48	128.28	↑ 3.89%
	Egypt	EGX 30	29,740.58	29,917.96	↑ 0.60%
	Tunisia	TUNINDEX	9,953.71	10,221.63	↑ 2.69%
	Mauritius	SEM ASI	2,49.11	2,224.67	↑ 3.52%
	South Africa	JSE	84,095.13	85,956.63	↑ 2.21%
	Nigeria	NGX - ASI	102,926.40	104,496.12	↑ 1.53%

Factors that drove African equities market in January



DISCLAIMER

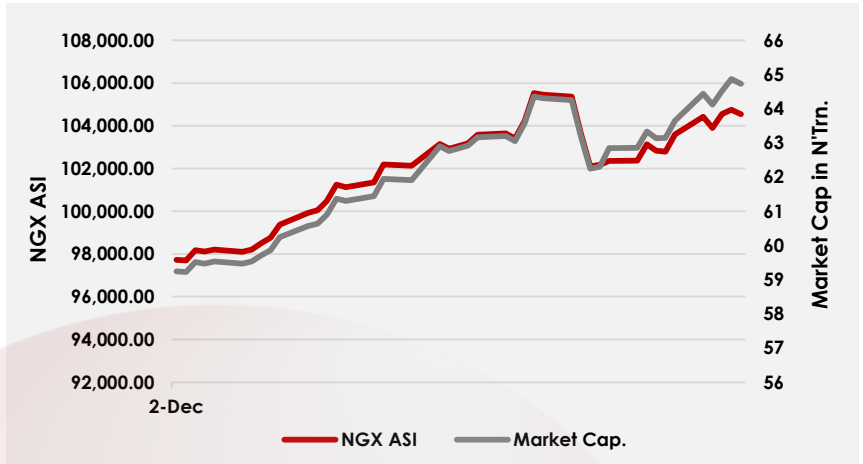
This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com

Domestic Equities

The Nigerian Exchange ASI closed the month positive at 104,536.46 basis point up by 1.56% from December 2024 closing of 102,926.40 basis points.

Market capitalization gained about N1.97 trillion month-on-month indicating a positive change of 3.14% to close at N64.73 trillion.



Market Indicators

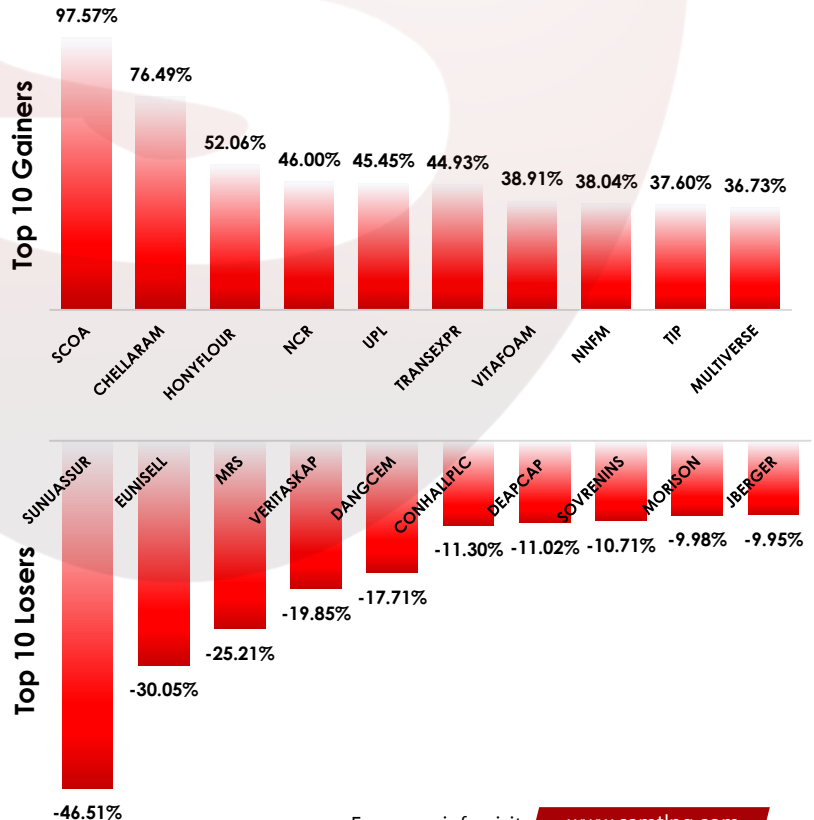
Day Change	↓	-0.20%
W-T-D	↑	0.91%
M-T-D	↑	1.56%
Q-T-D	↑	1.56%
Y-T-D	↑	1.56%
Volume	↑	28.74%
Value	↓	-6.58%
Deals	↑	63.47%

Activity level decreased month-on-month as 12.37Bn. units of shares valued at N267.46Bn. were traded compared to the previous month trading session where a total of 17.36Bn. units of shares valued at N286.29n. was traded.

In January, market breadth was 2.70x with a total number of 81 gainers and 30 losers. This was lower compared to the previous month's 4.6x with a total of 92 gainers and 20 losers.

SCOA(+97.57%), CHELLARAM(+76.49%), and HONYFLOUR(+52.06%) topped the gainers list

The loser's chart was led by SUNUASSUR(-46.51%), EUNISELL (-30.05%) and MRS (-25.21%).



DISCLAIMER

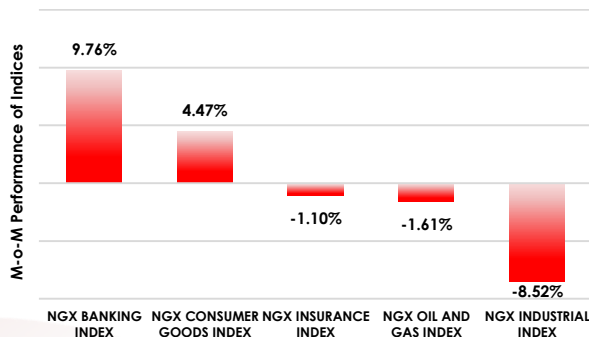
This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

Sectorial Performance

Sectorial performances were mixed, with notable gains in the banking and consumer goods sector.




























The growth in the banking sector was driven by the banking recapitalization, which enhanced investor confidence in the sector. Additionally, the increase in the CBN's Monetary Policy Rate (MPR) led to a rise in lending rates and an overall improvement in net interest margins, making the sector more attractive to investors.

The growth of the consumer goods sector was driven by an improved economic outlook and the government's strategic investments in agriculture, which supported the supply chain and boosted sectorial performance.



Other sectors experience negative growth due to probably profit taking activities of investors.

Top five gainers across the sectors

Sector	Company	Price(NGN) 31/12/2024	Price(NGN) 31/01/2025	MoM Chg.	Market Cap. In N' Billion
Banking 	 WEMA BANK	9.10	11.45	25.82%	147.226
	 FCMB	9.4	11.05	17.55%	218.819
	 STANBIC	57.6	64.35	11.72%	833.782
	 ZENITH BANK	45.5	50.6	11.21%	1,588.662
	 FIDELITY BANK	17.5	19.45	11.14%	622.637
Consumer Goods 	 HONYFLOUR	6.3	9.58	52.06%	75.971
	 VITAFOAM	23	31.95	38.91%	39.964
	 NASCON	31.35	38	21.21%	100.678
	 UNILEVER	32.95	38	15.33%	218.310
	 NB	32	35.8	11.88%	367.885
Industrial Goods 	 CAP	38	47	23.68%	38.293
	 TRIPPLEG	2.05	2.47	20.49%	1.222
	 BETAGLAS	64.9	71.5	10.17%	42.897
	 MEYER	8.43	9.25	9.73%	4.913
	 CUTIX	2.3	2.48	7.83%	8.736
Insurance 	 LINKASSURE	1.18	1.38	31.36%	19.320
	 PRESTIGE	1.21	1.3	16.53%	17.228
	 INTENEGINS	1.7	1.93	14.71%	2.478
	 WAPIC	2.25	2.5	14.22%	59.979
	 MANSARD	8.2	9.22	14.025	82.980
Oil and Gas 	 ETERNA	24.3	27.6	13.58%	35.994
	 OANDO	66	68.4	3.64%	850.308

Outlook

Market sentiment is expected to remain mixed, supported by corporate earnings releases and portfolio rebalancing activities.

For more info visit www.samtlng.com

DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

Money Market Developments

Banking system liquidity stood at ₦721.33 billion amidst efforts to mop up excess liquidity.

This represents an improvement from the preceding month when system liquidity closed in the negative region.

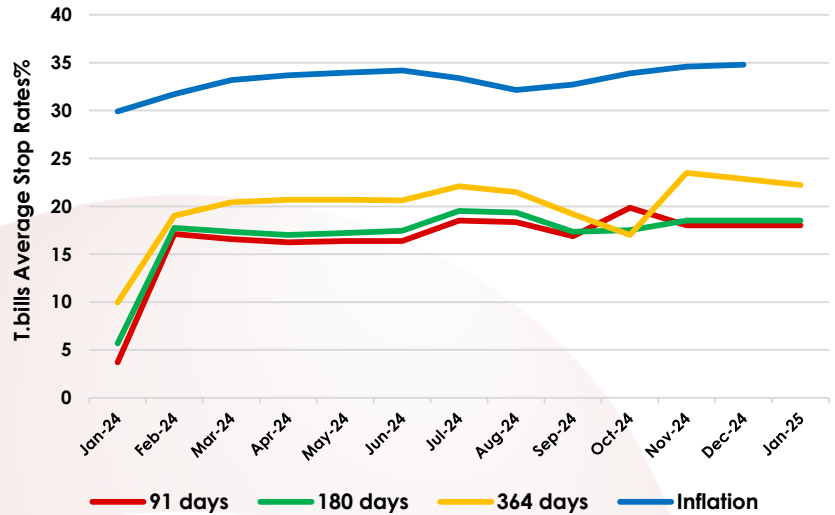
The increase in liquidity was driven mainly by injections from OMO and government securities repayments, despite liquidity-absorbing activities such as OMO and primary market sales, as well as outflows via the Standing Deposit Facility (SDF).

Fixed Income

In January, the average stop rates for the 91-day and 180-day bills remained at 18% and 18.5%, while the 364-day bill dropped to 22.21% from 22.85% in December.

This is possibly due to decline in the 364-day stop rate as subscription rate increased by approximately 165.13%, with total successful allotment growing by 49.42%.

This increase in demand suggests that investors are favouring safer fixed-income securities over riskier assets such as equities.



FGN Savings Bond			
Jan-25		Dec-24	
Maturity	Rate%	Maturity	Rate%
Jan-27	17.235	Dec-26	17.483
Jan-28	18.235	Dec-27	18.483
FGN Bond			
Jan-25		Dec-24	
Maturity	Rate%	Maturity	Rate%
Apr-29	19.30	Apr-29	19.30
Feb-31	18.50	Feb-31	18.50
Jan-35	22.60		

CONNECT WITH US



SAMTL

7, Alfred Rewane Road, Ikoyi, Lagos

www.samtlng.com

Mobile; 234(01)2707352

SAMTL RESEARCH

Patrick Ejumedia Ph.D

Patrick.ejumedia@sterlingassetng.com

Olaoluwa Ogunleke

Olaoluwa.Ogunleke@sterlingassetng.com

Sources: NBS, NGX, CBN, DMO, Trading economics, Investing.com, Oilprice.com, IMF, SAMTL Research

DISCLAIMER

This report is prepared with due care and diligence based on publicly available information and neither guarantees its accuracy nor completeness as the sole investment guidance for the readership. Therefore, SAMTL nor any of its associates and employees can be held responsible for any loss suffered from the reliance on this report as it is not an offer to buy or sell securities. Any decision to buy or sell should be taking strictly on advisement from the investment advisor/ professional or broker.

For more info visit www.samtlng.com