

LBS BREAKFAST SESSION

Nigeria - 3 Years Later



Cheers
(15%)



Tears
(30%)



Fears
(55%)

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-cheers, tears and fears

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What's Happening
Elsewhere

QUOTES!

“ *Disease outbreaks affect not only health systems but also trade, tourism, investment, and productivity.* ”

World Bank

QUOTES!

“ Outbreaks do not respect borders; their economic consequences travel faster than the disease itself ”

“ Every outbreak is both a health crisis and an economic shock ”

Anonymous

01

**EBOLA 3.0:
HISTORY, RISKS & ECONOMIC
IMPLICATIONS**

EBOLA 2.0 – THE GENESIS OF THE OUTBREAK



Patrick Sawyer

Index case

- Flies into Nigeria from Liberia on July 20, 2014
- Was heading to TB Joshua's Synagogue



Ameyo Adadevoh

Nigerian Doctor

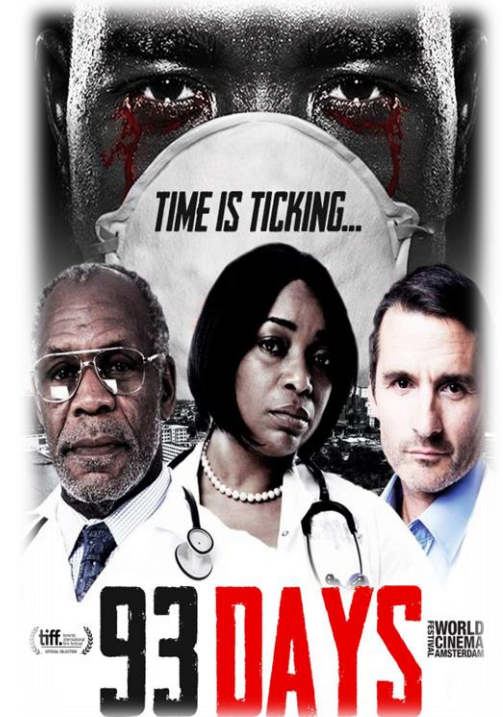
- Tested Patrick positive for Ebola and prevented him from leaving the Hospital



Babatunde Fashola

Former Lagos State Governor

- Directed the establishment of isolation facilities



*770

Start now. Dial *770#



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SEQUENCE OF EVENTS – PATRICK LANDED IN NIGERIA



- Patrick Sawyer arrived in Lagos on July 20, 2014 from Liberia, where he contracted Ebola from his sister's corpse

- Very high temperature at the airport and collapsed at the airport

- Immigration officer reported the case and he was rushed to First Consultant Hospital at Obalende

- He presented symptoms including fever, vomiting, and diarrhea
- He was then tested by Dr. Ameyo Adadevoh and found to be positive for the Ebola virus
- Dr. Adadevoh and her team restrain him from leaving the hospital and quarantine him

- Dr. Adadevoh reached out to Gov. Raji Fashola. Lagos goes into lockdown

- Patrick Sawyer died and subsequently, Dr. Adadevoh



HINDSIGHT IS 20/20 VISION

What if?



Patrick attends a program at TB Joshua's Synagogue, infecting many people



- Patrick visits a market in Lagos and collapses
- People try to take his bags



- Patrick disappears into Makoko or Ajegunle and then collapses
- People try to help him

Epidemic could have become a full-blown pandemic

EBOLA 2.0: EFFECTS ACROSS SSA

All-time Ebola cases and deaths, 1976-2025



	Cases	Deaths
Guinea, Liberia, Sierra Leone (West African Epidemic)	28,610	11,308
Democratic Republic of the Congo	4,792	3,244
Uganda	750	333
Sudan	335	180
The Republic of the Congo	249	211
Gabon	207	150
Guinea	23	12
Nigeria	20	8
The Philippines	9	0
Mali	8	6
United States	8	1
Russia	2	2
South Africa	2	1



- West Africa has suffered the most casualties of Ebola since 1976
- Nigeria has suffered moderate casualties, with only 8 deaths

IMPACT OF EBOLA IN NIGERIA (IF SAWYER WAS LET LOOSE)



	 DR Congo	 Nigeria
Population in 2014:	78.4mn	185.9mn
Population Ratio:	1	: 2.4
Total Cases:	4,792	11,500
Total Casualties:	3,244	7,786

Nigeria could have suffered twice as many cases and casualties as DR Congo. We owe thanks to Dr Ameyo Adadevoh and the officer.

THEN AND NOW

2014

- No African Continental Free Trade Area (AfCFTA)
- No Dangote refinery
- No Covid-19
- 22 functional airports
- Petrol price at ₦97/liter
- 24 licensed commercial banks
- 790 average daily flights

2026

- Establishment of the African Continental Free Trade Area (AfCFTA) in 2018
- Commissioning of the Dangote Refinery in 2023
- Covid-19 outbreak in 2019-2020
- Construction of the Lagos–Calabar Coastal Highway – 2024 till date
- 31 functional airports
- Petrol price at ₦1300/liter
- No visa required to travel to Kenya, Rwanda, Chad
- 27 licensed commercial banks
- 650 average daily flights



EBOLA 3.0: POSSIBLE RISK SCENARIOS





LEADWAY
Health HMO





2023 & 2024
NHEA AWARDS
HMO OF THE YEAR

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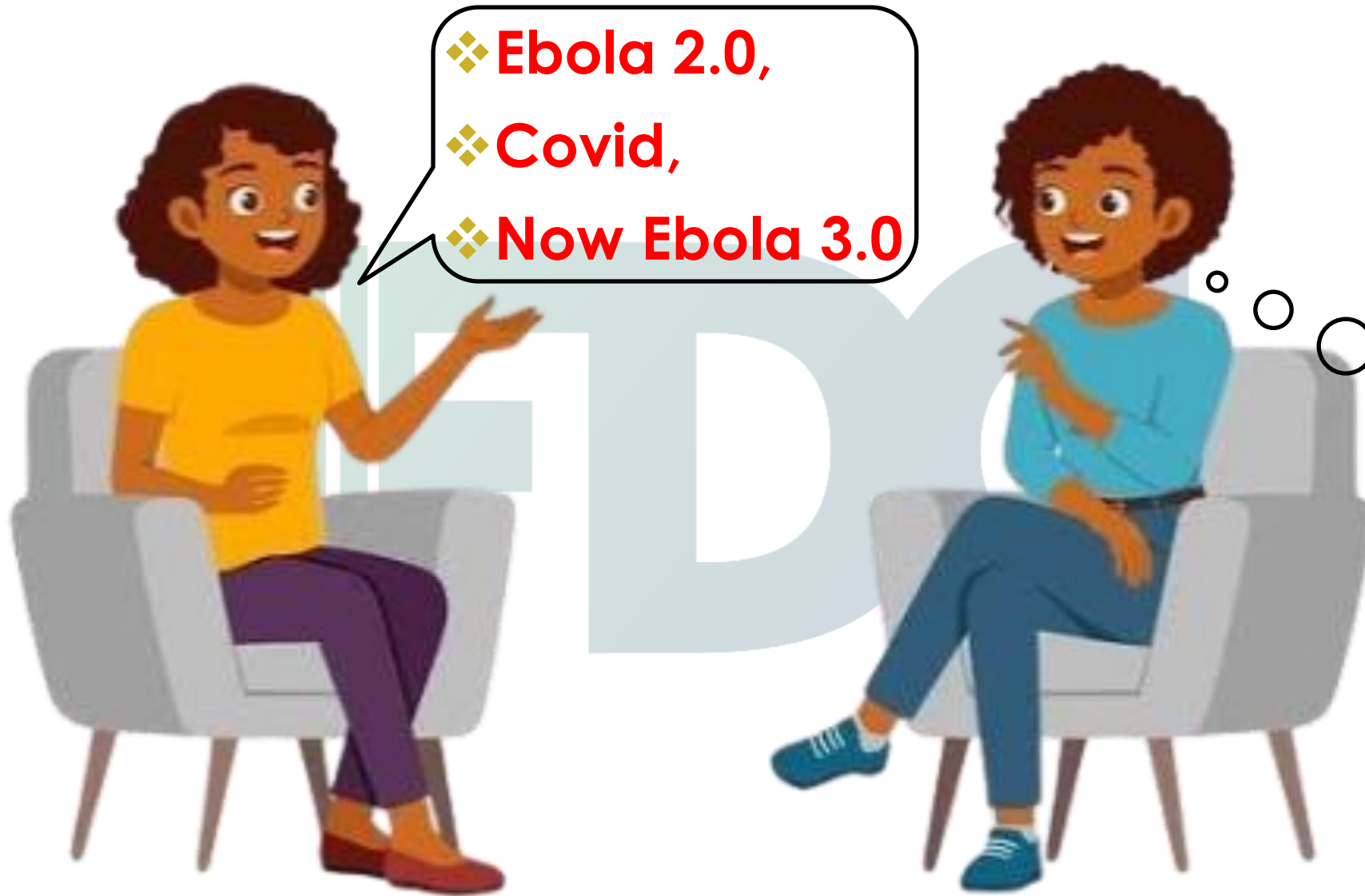
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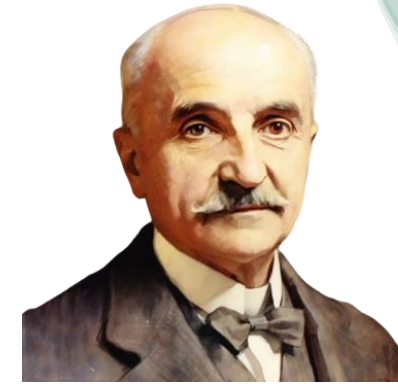


- ❖ Ebola 2.0,
- ❖ Covid,
- ❖ Now Ebola 3.0

How vulnerable is Nigeria?

QUOTES!

“Those who fail to learn from history are doomed to repeat it.”



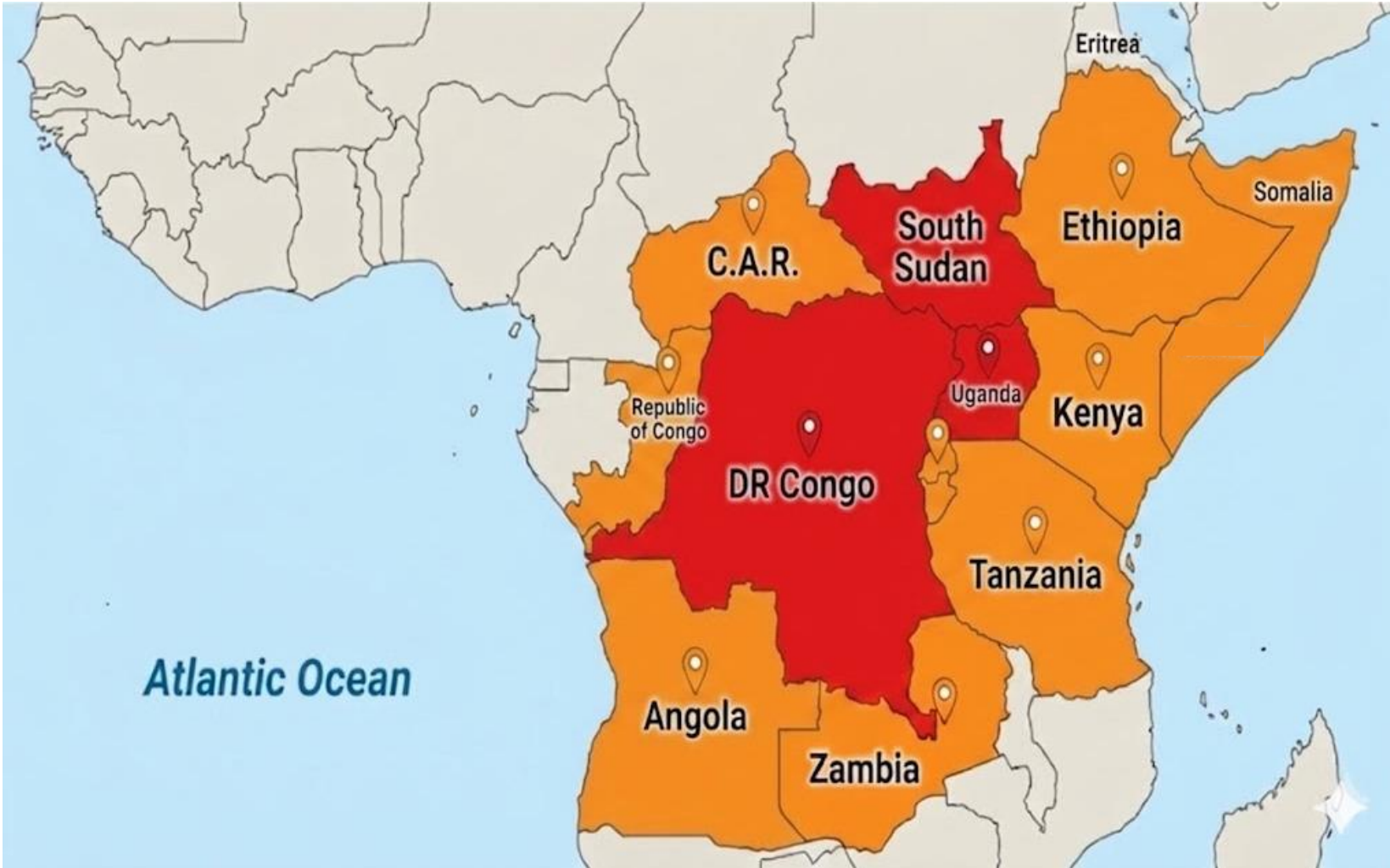
George Santayana
Spanish-American philosopher



Aldous Huxley
An English-born writer

“That men do not learn very much from the lessons of history is the most important of all the lessons that history has to teach.”

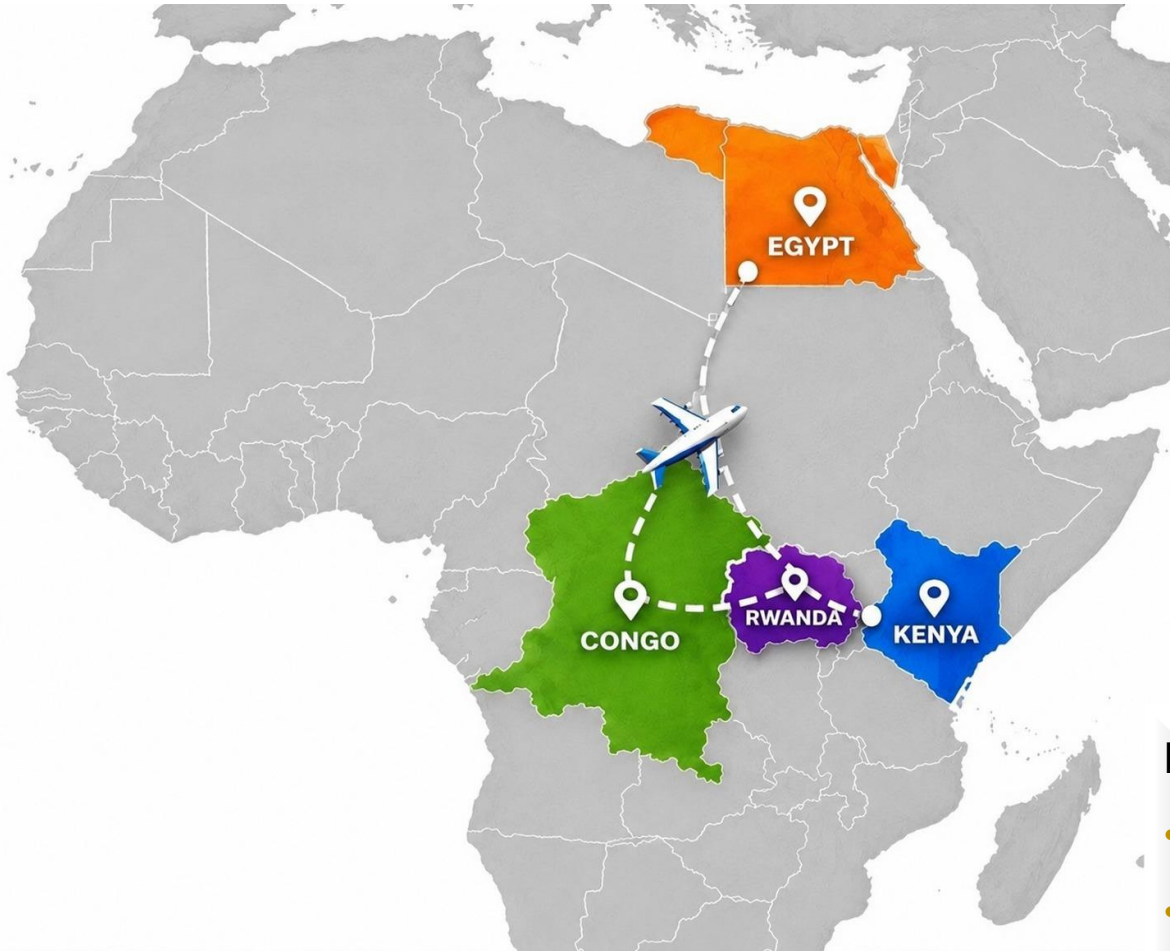
COUNTRIES AT IMMEDIATE RISK



-  Hotspot
-  Immediate risk

Eastern and Central Africa are at immediate risk of a major pandemic

RECENT DISEASE STOKING EVENTS



Africa Forward Summit (Franco–Africa Summit)
Nairobi | May 11–12, 2026

Rwanda: Africa CEO Forum 2026
Kigali | May 14–15, 2026

Congo: AfDB Annual Meetings
Brazzaville | May 25–29, 2026

Egypt: African Champion Countries Migration Meeting
Cairo | April 1, 2026).

Key Airlines

- Kenya Airways
- Ethiopian Airlines
- Uganda Airlines
- RwandAir Express

EBOLA IN ANOTHER CONTINENT - FEARS OF A GLOBAL OUTBREAK

- Brazil is investigating two suspected Ebola cases in São Paulo and Rio de Janeiro
- Marking potential first cases outside Africa
- First patient traveled from DRC outbreak area
 - **Status:** Isolated at infectious disease facility
- Second patient arrived from Uganda
 - **Status:** Under emergency protocols
- Neither diagnosis rules out Ebola co-infection



WORLD CUP - A MAJOR EBOLA SPREAD RISK?

- Ebola outbreak has heightened concerns about the 2026 FIFA World Cup in the US, Mexico, and Canada
- **US:** Banned non-citizens who traveled to DRC, Uganda, or South Sudan
- **Canada:** 90-day ban on residents from affected countries
- **Mexico:** Stricter airport screening
- Potential ticket sales losses if fans avoid travel due to fear
- Risk to World Cup fans - Ebola is not airborne, requires direct contact





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IMPLICATIONS





EBOLA OUTBREAK THREATENS TRAVEL, TOURISM & MOBILITY

- As of 24 May 2026, the Ebola outbreak in Ituri, DRC has recorded 900+ suspected cases and 100+ deaths
- Uganda, Rwanda, and others have increased screening and health checks, slowing cross-border passenger flows.
- Elevated health risk is likely to dampen inbound tourism, conferences, and corporate travel across Central Africa.
- Stricter monitoring is constraining informal crossings and regional transit routes, especially around eastern DRC.



IMPACT ON THE CREATIVE SECTOR

- The global creative industry market is valued at \$3.15trn
- The industry is projected to grow at a 4.29% CAGR
- The sector contributes 3.1% to global GDP and supports 50 million jobs worldwide
- **Potential impact of an Ebola escalation:**
 - Cancellation of live events, concerts and movie premieres
 - Significant income loss for creatives
 - Increased shift toward digital consumption
 - Temporary slowdown in sector's growth



IMPACT ON THE STOCK MARKET

- Increased uncertainty causes investors to become risk-averse, resulting in market capitalization and stock prices
- Domestic investors may move funds into safer assets such as Treasury Bills and bonds
- Lower corporate earnings expectations, leading to weaker equity valuations
- International investors typically withdraw funds from countries facing major health crises
- Banking stocks could come under pressure due to concerns over asset quality and profitability

Contagion

For a severe and prolonged outbreak, the stock market impact would likely be bearish, driven by weaker economic activity, lower investor confidence, and capital outflows

VS.

Containment

If the outbreak is quickly contained, the effect would likely be temporary, similar to Nigeria's experience in 2014



SECTOR ANALYSIS - WINNERS IN A DISEASE OUTBREAK

Have we learned from 2020?

Healthcare & Pharma

Fidson's Market Cap Exploded from ₦5.32bn (Pre-COVID 2020) to ₦327.60bn (Today)

FY 2020 Net Profit jumped by 190% YoY to ₦1.18bn

Consumer Staples

Dangote Sugar Market Cap Exploded from ₦165.20bn (Pre-COVID 2020) to ₦864.25bn (Today)

FY 2020 Revenue jumped by 33.0% YoY to ₦214.30 billion

Telecoms

MTNN Market Cap grew from ₦2.43trn (Pre-COVID 2020) to ₦17.22trn today

FY 2020 Revenue grew by 15.1% YoY to ₦1.35 trillion as online data traffic exploded by 110%

Fintech & Digital payments

Access bank saw a massive +200% surge in electronic channel and transfer fee income during the lockdown phase



SECTOR ANALYSIS - LOSERS IN A DISEASE OUTBREAK

Have we learned from 2020?

Agriculture

FTN Cocoa Processors revenue fell from ₦264.56 million down to ₦242.46 million

Share Price Fall crashed 40.3% down to a penny-stock low of ₦0.20 per share

Aviation & Transport

ABCTRANS fell from 23.7% ₦7.11bn down to ₦5.42bn

Market Value Destruction: Share price crashed 32.6% down to a nominal floor of ₦0.29 per share during the height of the 2020 movement restrictions

Banking

Wema Bank gross earnings contracted -10.8% YoY to ₦57.83 billion during the main lockdown phase

Share price dropped -21.4% down to ₦0.55 per share as investors factored in loan-loss provisions

Hospitality & Discretionary

Ikeja Hotel PLC Revenue fell from ₦12.52 billion down to ₦5.07 billion (-59.5%)

Share price plunged -20.2% dropping from ₦1.14 to ₦0.91 per share by the end of 2020 as investors reacted to the heavy ₦1.74 billion net loss

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02

THREE YEARS AFTER REFORM: CHEERS, FEARS & TEARS

POLICY REFORM

- **SUBSIDY REMOVAL**
 - **FX MARKET LIBERALIZATION**
 - **TAX REFORM**
 - **TRADE LIBERALISATION**
-

QUOTES!

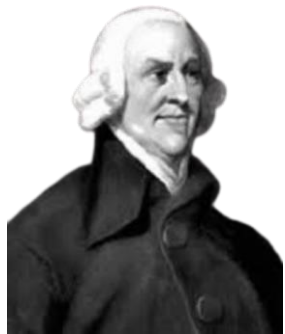
“ We are all subject to the money illusion... we think of money as having a fixed value, but it does not ”



Irvin Fisher
American economist and statistician

“

It would be too ridiculous to go about seriously to prove that wealth does not consist in money, or in gold and silver; but in what money purchases, and is valuable only for purchasing. ”



Adam Smith
Scottish economist and philosopher

MONEY ILLUSION AND PARADOX OF WEALTH

EFFECTIVE Vs. NOMINAL VALUE

BETTER

	2023	2026F
GDP (\$'bn)	257.85	340.77
GDP growth (%)	2.27	4.04
Stock market cap (\$'bn)	45.89	112.75
Trade balance (\$'bn)	5.72	14.13
Gross external reserve (\$'bn)	32.91	49.58

WORST

	2023	2026
GDP per head (\$)	2,139	1,468
Fiscal deficit (₺'trn)	-11.34	-23.85
Total debt (\$'bn)	108.23	141.94
Power supply (Grid) MW	4100	4500

COMME CI, COMME ÇA

	2023	2026
Exchange rate (₺/\$) avg	892	1,400
FDI (\$'mn)	377.38	964.45
Inflation (%)	24.52	16

NIGERIA'S GDP GROWTH MAINLY DRIVEN BY CONSUMPTION

2023

$$Y = C + I + G + (X - M)$$

\$257bn	\$136.2bn	\$95.1bn	\$15.4bn	\$10.3bn
	(53%)	(37%)	(6%)	(4%)

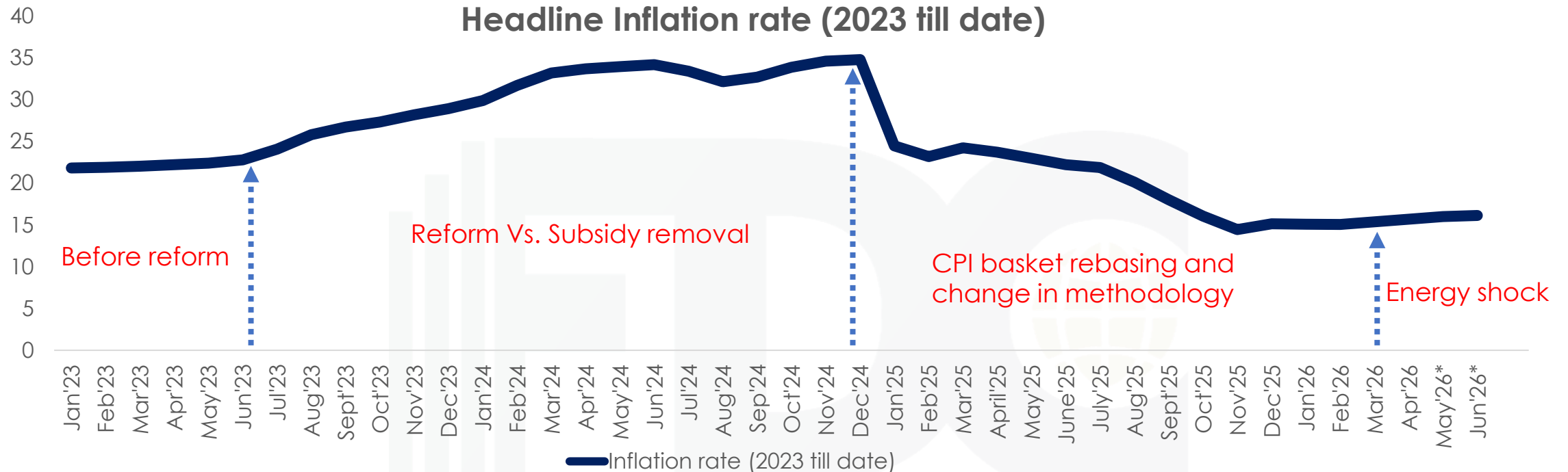
2025

$$Y = C + I + G + (X - M)$$

\$278bn	\$166.8bn	\$72.3bn	\$11.2bn	\$27.8bn
	(60%)	(26%)	(4%)	(10%)

- Nigeria's GDP increased 8.17% to \$257bn in 2023 compared to \$278bn
- Consumption remains the leading component, comprising 60% of GDP in 2025 compared to 53% in 2023

BEYOND THE INFLATION SPIKE - HAS REFORM DELIVERED?



- Nigeria experienced a reform-induced inflation shock in 2023–2024

followed by a gradual easing phase in 2025, after the reconstitution of the inflation basket






- There is a significant deterioration in living standards and poverty level



COMMODITY PRICES – 2023 AND NOW

Minimum wage	2023	2026	% change
In naira term (₦)	30,000	70,000	133%
In dollar term (\$)	34	49	44%

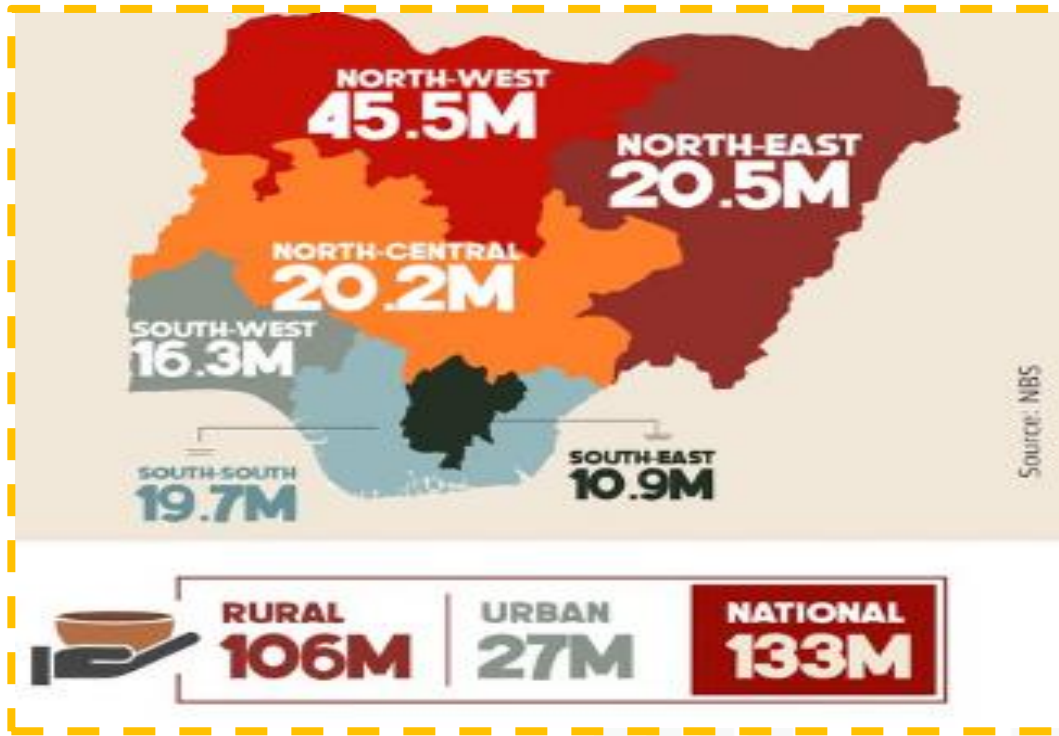
- Minimum wage at ₦70,000 is not keeping up with inflation
- Real incomes are squeezed
- The share of Nigerians living below the poverty line rose 63% in 2025 from 56% in 2023

SYNTHETIC BASKET		2023	2026		
	Rice (50kg)	₦33,000	₦65,000	96.97%	↑
	Tomatoes (Basket)	₦55,000	₦140,000	154.55%	↑
	Pepper(1big bag)	₦20,000	₦130,000	550%	↑
	Honey Beans (50kg)	₦35,000	₦67,000	91.43%	↑
	PMS (petrol) /litre	₦600	₦1,324	120.67%	↑
	Cooking Gas (10kg)	₦8,720	₦20,000	129.36%	↑
	Flour(50kg)	₦28,500	₦54,000	89.47%	↑
	Bread	₦900	₦2,300	155.56%	↑
Simple Average		₦181,720	₦479,624	163.94%	

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POVERTY RATE HIGH, INSECURITY ON THE RISE



Poverty Vs. Multidimensional Poverty (%)

40.10%

Poor people

63%

Multidimensionally poor people

Sources: NBS

- The share of Nigerians living below the poverty line rose 63% in 2025 from 56% in 2023
- Household incomes have not grown to offset the rate of inflation growth
- **Insecurity status:** escalating

FUEL SUPPLY IMPROVED, BUT PRICES REMAIN ELEVATED



2023: ₦ 311/litre
2026: ₦ 1,325/litre
UP 326.05%



2023: ₦ 842.25/litre
2026: ₦ 1,857/litre
UP 120.48%

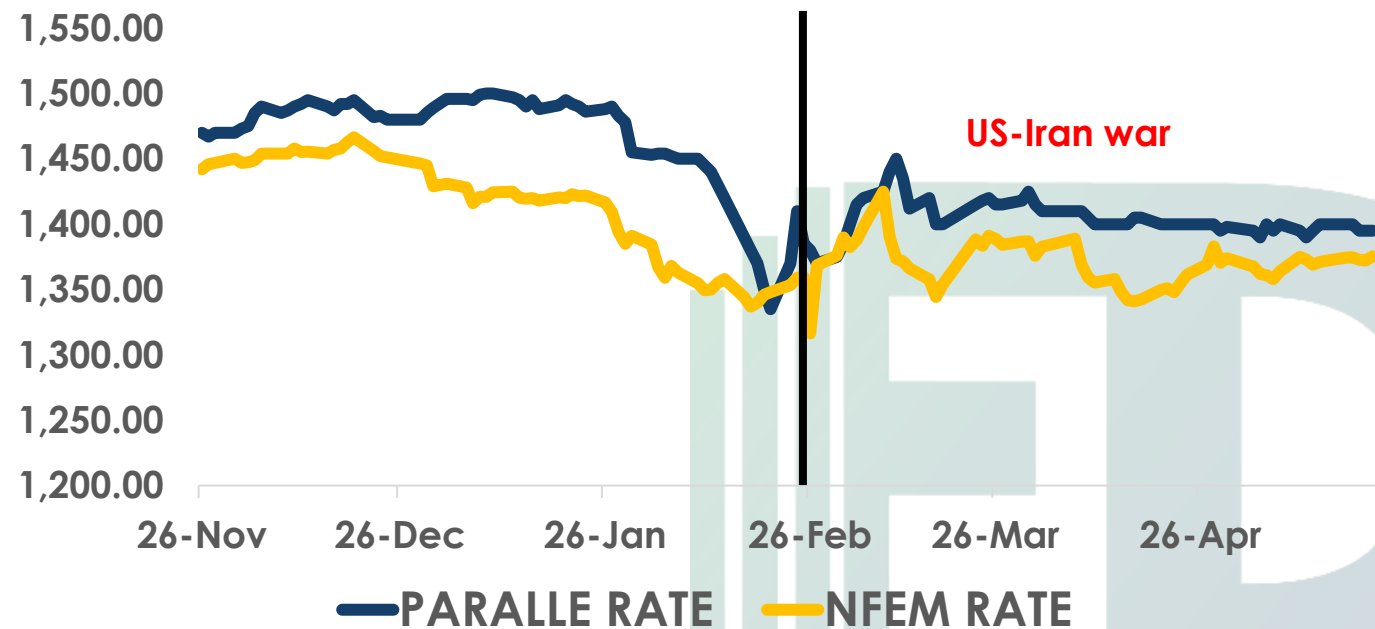


2023: ₦ 4,360
2023 : ₦ 8,706 } 5kg
UP 99.68%

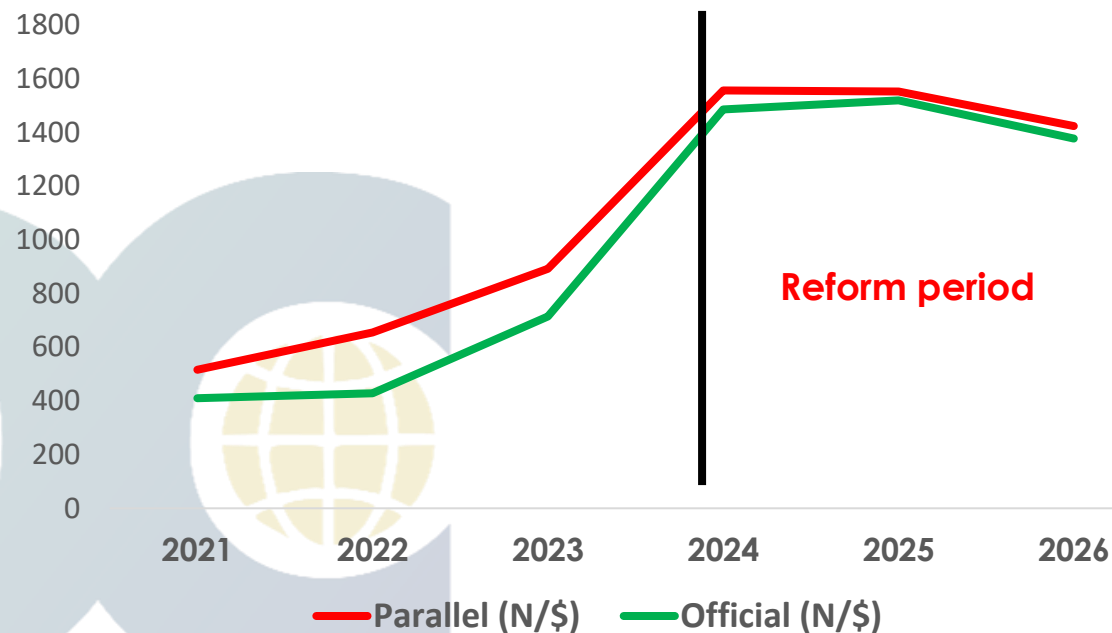
- The surge in PMS, diesel, and cooking gas prices since 2023 was primarily driven by the removal of fuel subsidies, exchange rate liberalisation and naira depreciation
- Local supply of PMS and diesel improved significantly with the ramp-up of the Dangote refinery

EXCHANGE RATES REMAIN RELATIVELY STABLE

Parallel vs Official Exchange Rate



Annual exchange rate (2021-2026)



- The naira depreciated from about ₦410/\$ in 2021 to over ₦1,900/\$ by 2024 following exchange-rate liberalisation and market reforms in 2023
- While the reform improved FX market efficiency and reduced distortions, the naira has lost about 36% between 2023 and 2026
- In the near term, FX will likely remain stable at the range of ₦1,390/\$- ₦1,420/\$

EXCHANGE RATE: FUNDAMENTALS Vs. TECHNICAL DRIVER

Fundamental drivers

variables	2023	2026	% change
Inflation-interest rate differential	-5.77	10.81	5.04
Oil production (mbpd)	1.24	1.49	20.16
Oil price (\$/pb) Avg	82.20	87.66	6.64
Terms of trade	100.72	102.28 (Dec'25)	1.55
Gross external reserves (\$'bn)	32.91	49.58	50.65
Current account balance (\$'bn)	3.7 (Q4'25)	1.40 (Q4'25)	-62.16
Trade balance (\$'bn)	5.72 (2025)	11.45 (2025)	101.4
Remittances (\$'bn)	19.55	23 (2025)	17.65

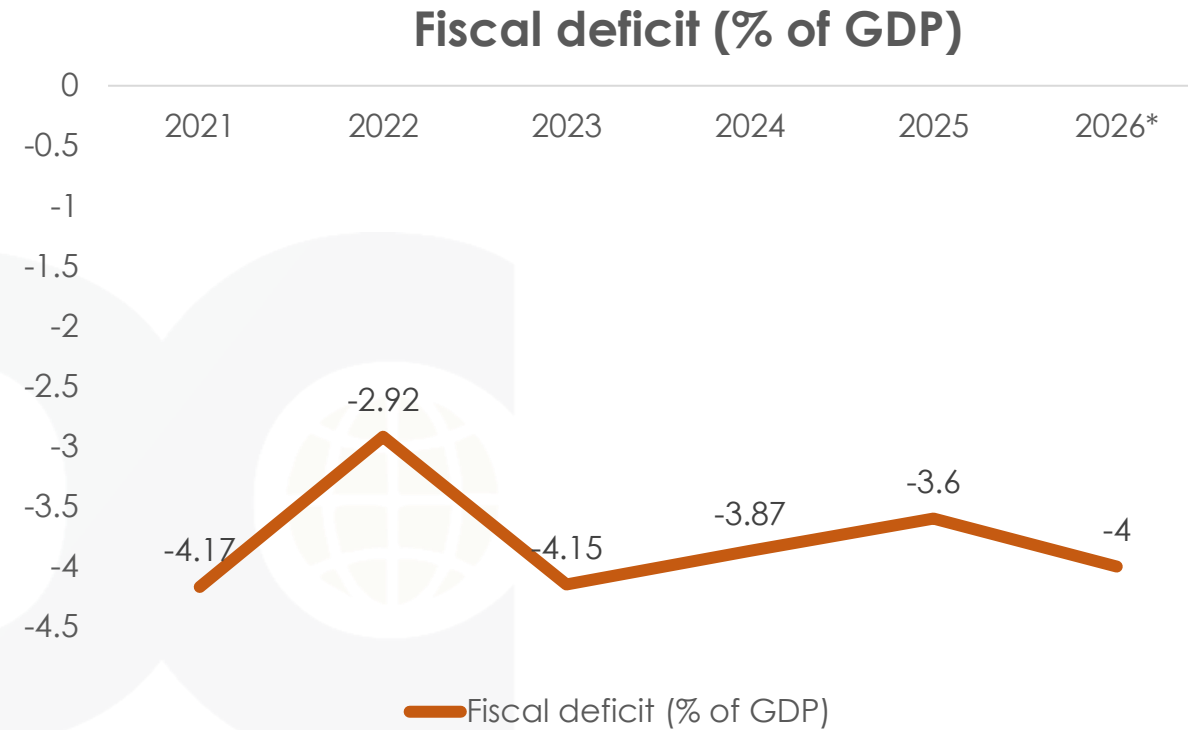
Technical driver

Purchasing Power Parity			
	=N=	May,2026	
		US \$	PPP ('=N=/US\$)
Bottle of Pepsi (50cl)	500	0.72	696.09
Heinekin Beer (60cl)	1,200	1.62	740.74
Hamburger (Burger King)	18,000	6.83	2635.43
Movie tickets (blockbuster)	8,000	16.08	497.51
HP Pavilion 14 X360 (12 gen, core i13, 512gb)	1,450,000	699.00	2074.39
Diesel Price (1 litre)	1,990	1.50	1326.67
Vegetable oil (5 litres)	17,000	29.95	567.61
Indomie (1 unit)	500	0.78	641.03
Nestle Bottled Water (60cl 1 unit)	250	0.81	308.64
Big Loaf Bread	2,500	3.34	748.50
Corrola (2023 Model)	50,000,000	21700.00	2304.15
Irish Spring Soap (3 bars)	4,200	2.09	2010
Chicken Breasts (1 kg)	6,000	7.94	755.67
Trolley	2,500	6.64	376.51
Peak evaporated milk (pack of 24)	26,500	17.99	1473.04
Uncle Ben's rice (5.44kg 1 pack)	26,000	26.00	1000.00
Eggs (30 large eggs)	6,500	6.45	1007.75
Medicine (Panadol extra 50 caplets)	11,700	12.84	911.21
Andrex toilet paper (24)	49,000	18.87	2596.71
Average PPP			1193.22
Naira Price at NFEM			1374.92
PPP (%)			
Decision: Naira is		Undervalued	-13.22%
Spot Rate (Parallel)			1385
Outcome: Compared to NFEM rate of N1,374.92/\$, the Naira is undervalued by 13.22%			

FISCAL DEFICIT REMAIN ELEVATED

Fiscal indicators (% of GDP)

	2023	2024	2025	2026*
Government expenditure	6.1	6.2	6.7	8.0
Government revenue	1.9	2.3	3.1	4.0
Budget balance	-4.15	-3.87	-3.6	-4.0
Government debt	29.6	39.6	38.0	39.8



- Fiscal deficit is projected to increase to -4% in 2026
- However, it is relatively lower, when compared with -4.15% in 2023
- This mean that vulnerability remains high unless revenue growth consistently outpaces spending growth



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DANGOTE REFINERY – BRIDGING FUEL SUPPLY GAP

Before the refinery

- Fuel import dependency
- \$20 billion to \$25 billion per year between 2002 and 2022
- Artificial scarcity and rent-seeking
- Under-utilized local capacity

Massive single-train design

- Has a 650,000 barrels per day (bpd)
- Single-train design simplifies operations
 - Reduces operating cost

After the refinery

- Reduced fuel imports and FX savings
- Hitting around 75 million litres per day
- Nigeria became less vulnerable to global shocks and artificial scarcity created by importers

Fully Integrated Complex

- The facility produces petrol, diesel, kerosene, aviation fuel,
- and also value-added products like LPG, polypropylene, benzene, and urea

Local demand targeting

- Designed to meet 100% of Nigeria's refined-products demand

DANGOTE EYES 20,000MW POWER PLANT

- Aliko Dangote has announced plans to enter large-scale electricity generation with a proposed 20,000MW power project
- The planned capacity is more than Nigeria's currently installed generation capacity of roughly 13,000MW
- Dangote frames the investment as a response to Africa's critical electricity deficit,
- arguing that reliable power is the foundation for industrialisation, manufacturing growth, and economic transformation.



IMPACT OF IMPROVED ENERGY SUFFICIENCY



- Unlocks industrial growth



- Reduces business operating cost



- Attracts large-scale foreign and domestic investment



- Improves productivity and GDP potential

03

GLOBAL RISKS & SCENERIOS



U.S./IRAN WAR – FRAGILE CEASEFIRE REMAINS IN PLACE

- Tensions remain high as the US and Iran continue to be far apart on key demands, with a fragile ceasefire
 - The US continues to pressure Iran through sanctions, a naval blockade, and demands for significant restrictions on Iran's nuclear programme
 - Iran seeks sanctions relief, the lifting of the naval blockade, access to frozen assets, and guarantees against future US or Israeli attacks
 - Both countries face mounting economic and political costs:
 - The US faces inflationary pressures and political pressure ahead of elections.
 - Iran faces severe economic strain from sanctions, war damage, and trade disruptions.
- 



POSSIBLE OUTCOMES – PEACE, TRUCE OR RESURGENCE

PEACE

- A fragile ceasefire is the most likely outcome, despite occasional violations and military tensions.
- US-Iran talks, supported by Pakistan and Gulf states, are expected to continue through mid-2026.
- A preliminary agreement could be reached by June or July to guide further negotiations.

TRUCE

- The ceasefire remains in place, but negotiations move slowly and make limited progress.
- Occasional low-intensity attacks persist, while public rhetoric remains hostile.
- Economic pressure on both sides eventually pushes them toward a framework agreement by October.

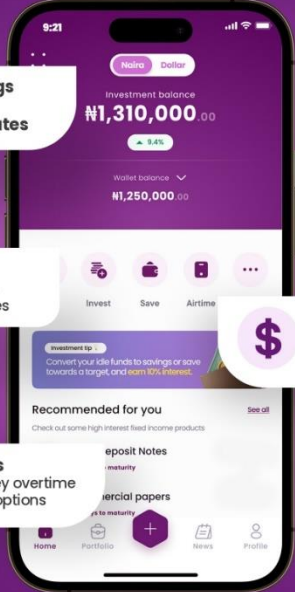
RESURGENCE OF VIOLENCE

- US-Israeli strikes and Iranian retaliation intensify after repeated ceasefire failures.
- The Strait of Hormuz becomes a key pressure point, disrupting global oil supply and raising recession risks.
- The global economy faces severe shocks: higher oil prices, inflation, supply-chain disruption, and volatile markets.



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IMPACT ON NIGERIA

PEACE

- Oil prices fall to approx. \$80pb
- Lower global oil prices reduces export windfall, and fiscal revenues
- Energy prices fall, easing inflationary pressures in the country



TRUCE

- Higher and volatile oil prices support short-term fiscal revenues
- Naira remains under pressure due to global risk sentiment and FX volatility
- Sustained high energy costs



RESURGENCE OF VIOLENCE

- Short-term oil revenue surge due to spike in global crude prices.
 - Inflationary pressures skyrocket due to high energy costs
- CBN tightens monetary policy
 - Subsidies



04

**GLOBAL & DOMESTIC STOCK
MARKETS - DEFY ODDS AND
GRAVITY**



GLOBAL STOCKS DEFYING ODDS- IS THIS A BUBBLE ?

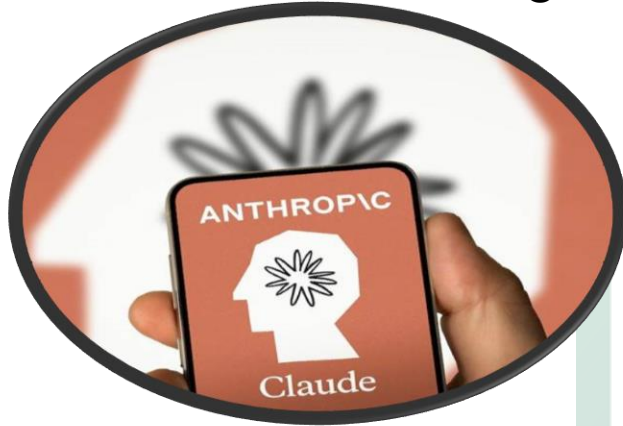
YTD gains despite Global Energy Shock

Index	31 December 2025	2 June 2026	Change (%)
S&P 500	6,845.50	7,609.78	+11.16%
Dow Jones (DJIA)	48,063.29	51,307.79	+6.75%
Nasdaq Comp	23,241.99	27,093.90	+16.57%
FTSE 100	9,931.88	10,373.51	+4.45%
Nikkei 225	50,424.82	66,957.24	+34.57%
DAX	24,490.41	25,124.17	+2.59%
Hang Seng	25,630.54	26,038.32	+2.59%

- Nasdaq gains are backed by unprecedented corporate cash flows and explosive earnings from AI infrastructure giants
- Massive secondary play on the global AI boom as capital flooded Japanese chip-equipment and automation giants like Tokyo Electron and Advantest

IS THERE ENOUGH FOR THE NEW BOYS ON THE BLOCK?

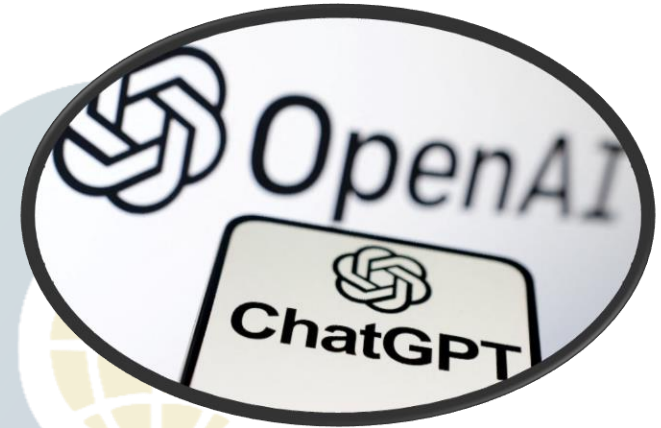
\$1.0 Trillion IPO target after confidential S-1 filing



\$1.8 Trillion Targeted IPO/Secondary valuation



\$852 Billion Most recent funding round milestone



- The true risk of market "indigestion" occurs 6 to 12 months down the line
- Once early investor lockup periods expire, nearly **\$500 Billion** in secondary equity could flood the market
- The market's ability to swallow this dependably will rely on heavy corporate buybacks offsetting the supply



THE NGX's YTD GAINS- COULD THERE BE A BUBBLE?

155,613

ASI Dec 31st 2025

247,571

June 1st 2026 ASI

59.10%.

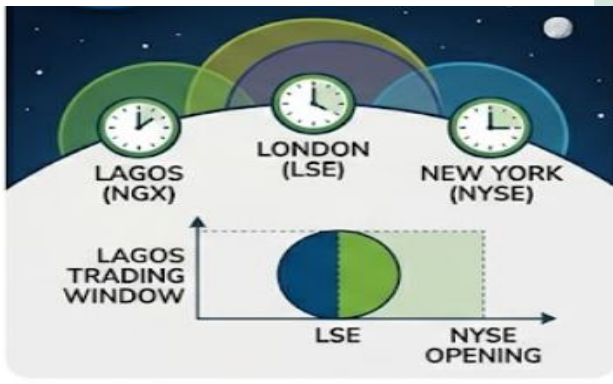
Driving factors of the NGX's Stellar performance

- PenCom increased the PFA domestic equity exposure cap to 35%
- Retail participation on the NGX grew from under 10% to 35% in 2026
- SEC's expansion of trading hours and approval of a T+1 settlement cycle
- Broad valuation re-rating in Dangote Cement and other Blue-chip stocks followed FTSE Russell's upgrade of Nigeria to Frontier Market status

IMPACT OF THE NGX TRADING WINDOW EXTENSION



Investors can now price in policy announcements from Monetary Policy Committee (MPC) meetings, which typically come in at 2pm



Extended hours align the NGX with European markets and create a vital 90-minute overlap with the New York Stock Exchange's morning session



The new window makes the NGX more attractive to carry traders who borrow in low-interest global currencies to invest in high-yield NGX assets



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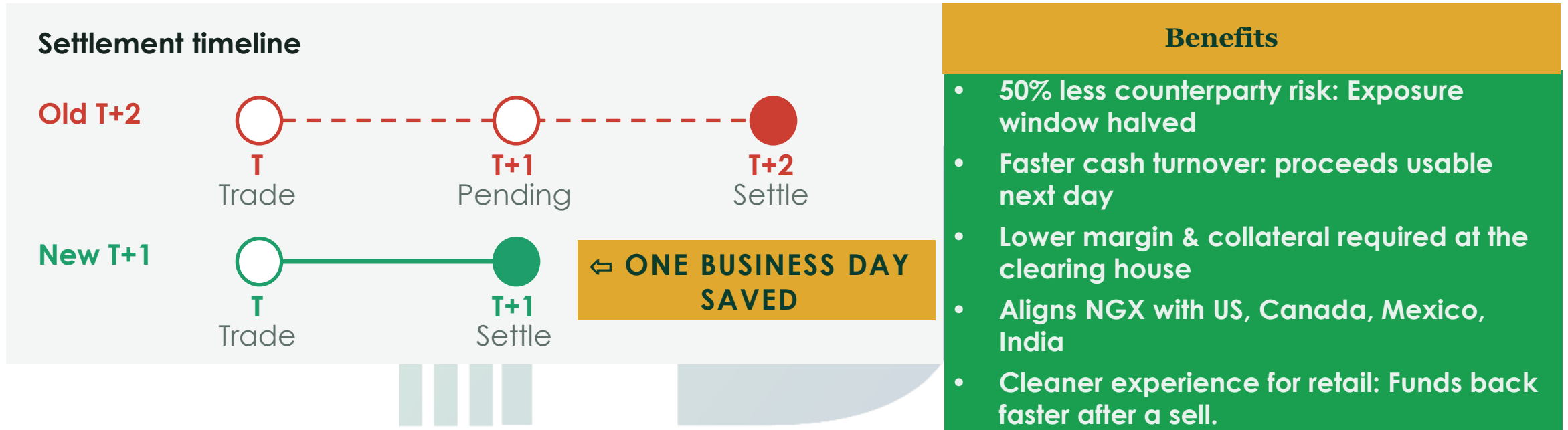


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IMPACT OF T+1 SETTLEMENT ON THE NGX

From 1 June 2026, trades on the NGX cleared one business day after execution



Impact on the NGX

- Higher turnover and tighter spreads as institutional buy-side can recycle capital faster (PFAs, prop desk)
- Combined with the new 9am–4pm window and FTSE frontier-market reclassification, T+1 makes the NGX visibly more attractive to foreign institutional flows just as the Dangote Refinery listing approaches

NGX EXPERIENCES BIGGEST LOSS IN 6 WEEKS

T+1 launch date (June 1st) sees the ASI fall by 1.12%

Held	Lost
AIRTELAFRI – N 3,655.70	FIRSTHOLDCO – N 67.00
DANGCEM – N 1,180.0	ZENITHBANK – N 128.90
MTNN – N 820.0	GTCO – N 136.0
NESTLE – N 3,125.0	ACCESSCORP – N 24.0
GUINNESS – N 402.60	

Key Insights

- Of the ten bellwether stocks, one gained (NB – ~~N~~83.75), 5 held, and 4 lost
- All 4 that lost were Bank Stocks- We believe investors factored in dividend scarcity
- Average daily turnover declined by 46.10% to ~~N~~23.41bn, which is 52.75% lower than the average daily turnover of ~~N~~49.55bn in May
- The NGX All-Share Index loss of 1.12%, brought the market capitalization to ~~N~~158.72trn



BANKING SECTOR- TWO SIDES OF THE CBN'S STRESS TEST

✓ Cleared — paid FY2025 dividends

- **GTCO: ₦11.76/share (+58.9%)**
- **Zenith Bank: ₦8.75/share (+100%)**
- **Stanbic IBTC: ₦4.00/share**
- **WEMA Bank: ₦1.25/share**

✗ Suspended — heavy provisioning

- | | |
|------------------------|------------------------|
| • Access Bank | • FCMB |
| • First Bank | • Ecobank (ETI) |
| • Fidelity Bank | • UBA: |

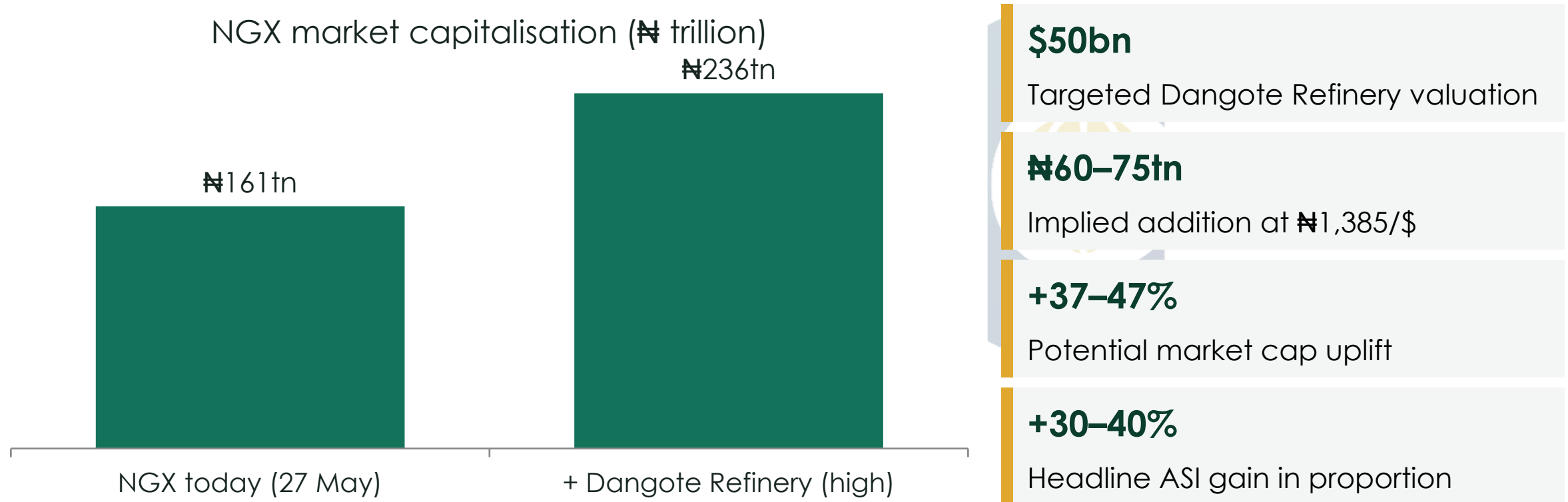
- Banking stocks have seen moderate corrections since the start of the stress test
- The CBN suspended dividend payment for most of the banks reducing Investor expected returns
- The Supreme Court's overturn of Nestoil Asset Freeze means approximately \$1.1B oil debt may increase provisioning requirement of affected banks
- Capital has rotated to dividend paying stocks in preparation of the Dangote refinery IPO



IMPACT OF NEW LISTINGS- THE DANGOTE REFINERY IPO

How the IPO Impact the NGX in an Idea Scenario

Assume fresh-money subscription, no rotation out of existing stocks, and Dangote Refinery listed at the upper end of its valuation range



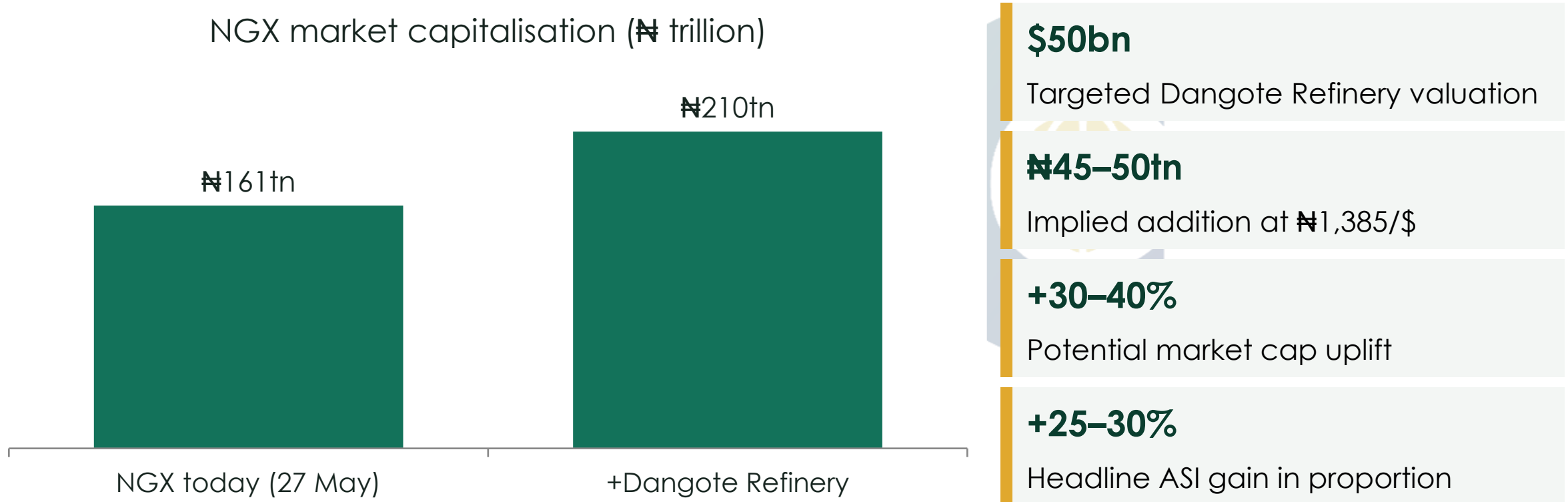
In a 'pure addition' world the NGX would jump from ₦161tn to ₦236tn at listing and the ASI would re-rate proportionately



REALITY OF THE DANGOTE REFINERY IPO

Real Scenario- the ASI will dip before it rises

US-Iran war Inflation has squeezed retail wallets (35% of NGX investors). We believe part of the IPO will be funded by trimming liquid blue-chips making the net cap gain smaller than expected



In reality, the NGX would not jump from ₦161tn to ₦236tn at listing, and neither would the ASI. It would first fall under sell-off pressures before gaining on the back of the Refinery IPO

05

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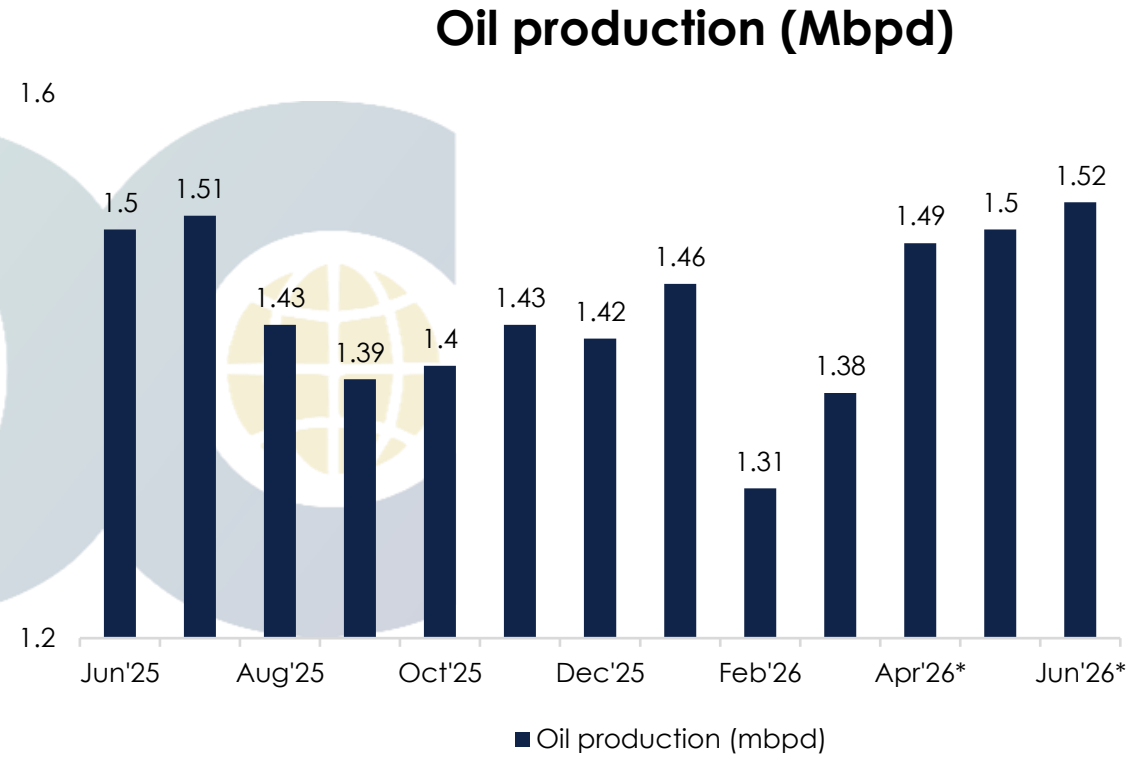


POSSIBLE IMPACT OF EBOLA OUTBREAK ON ACTIVITIES

	Likely impact	Reasons
Oil production	Moderate disruption	<ul style="list-style-type: none"> Oil production is mostly offshore → less directly exposed to population movement shocks However, onshore operations, logistics, and maintenance are vulnerable
FAAC	Negative and lagged	FAAC allocations decline with a lag of 1–2 months after economic slowdown begins
PMI	Sharp and immediate contraction	PMI is highly sensitive to sentiment and mobility
Ships awaiting berth	Congestion increases significantly (initially), then demand collapses later	<ul style="list-style-type: none"> Port health checks slow vessel clearance Reduced working hours due to safety protocols
Value of transactions	Moderate disruption	<ul style="list-style-type: none"> Short-term spike in digital channels (substitution effect) Medium-term decline in total value (income + consumption contraction effect)

OIL OUTPUT WILL LIKELY WITNESS FURTHER EXPANSION

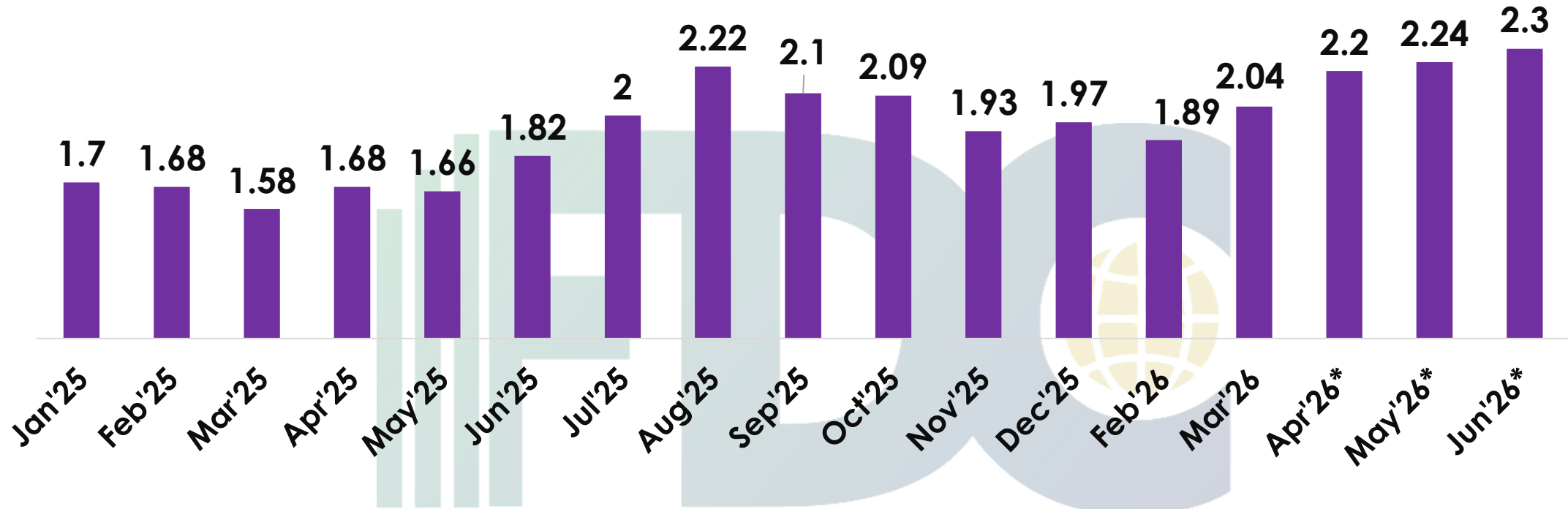
- Oil production increased in April to 1.49mbpd, a 7.97% rise from 1.38mbpd in March
- Driven mainly by Forcados terminal rebound (42%) and a modest 5.1% increase at the Bonny Light terminal
- Output will likely stay around April levels with slight upside bias in May and June
- Due to strong export lifting from key terminals (Bonny, Forcados, Bonga)
- And continued recovery from shut-in wells



Source: OPEC, FDC thinktank

FAAC ALLOCATION WILL LIKELY REMAIN ABOVE ₦2 TRILLION

FAAC Disbursement (N'trn)



- While oil prices remain elevated, FAAC disbursement is projected to remain above N2 trillion
- This will only provide temporary relief, but not structural stability

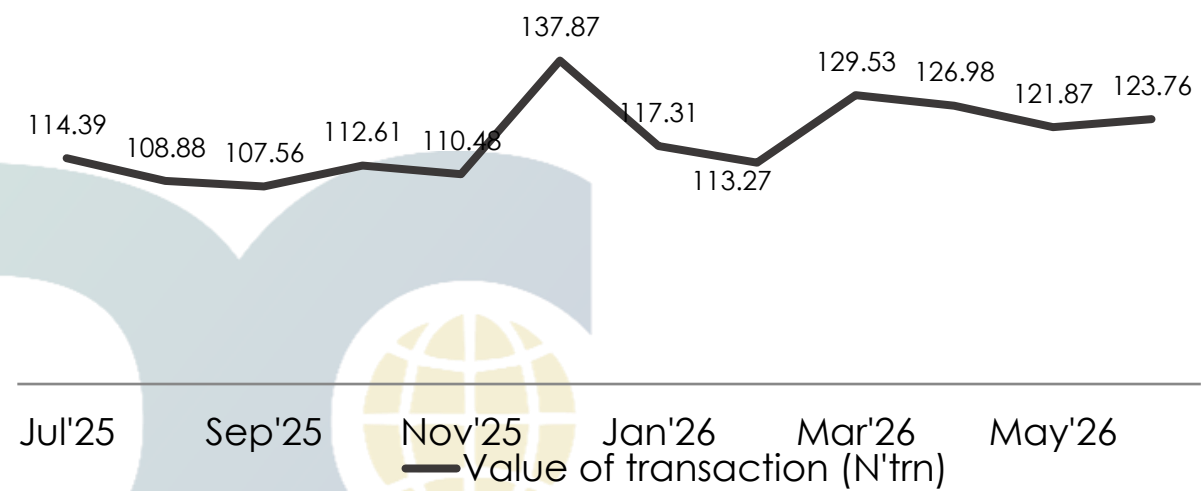
SHIPS AWAITING BERTH PROJECTED TO INCREASE

Ports	Apr'26	May'26	Jun'26*
Lagos-Apapa	0	0	2
Lagos-Tincan	2	9	10
Calabar Port	0	0	1
Warri Port	8	6	5
Onne Port	0	0	0
Rivers Port	0	0	0
Lekki Deep Sea Port	6	6	7
Total	16	21	25

- Ships awaiting berth rose in May to 21, a 31.25% increase from 16 in April
- The anticipated arrival of 43 ships (as reported by NPA) is expected to increase the number of vessels awaiting berth in June

TRANSACTION VALUE MAY SEE A MODEST UPTICK

Mode of payment	Apr'26 (N'trn)	May'26 (N'trn)	Change (%)	Jun'26* (N'trn)
NIP	113.78	108.70	-4.46 ▼	109.42
POS	7.56	7.51	-0.66 ▼	7.89
NEFT	5.40	5.44	0.74 ▲	5.55
CHEQUES	0.244	0.218	-10.65 ▼	0.235
Total	126.98	121.87	-4.02 ▼	123.76



- Value of transactions decreased by 4.02% to N121.87 in May from N126.98 recorded in April
- This happened despite the Eid-el-Kabir celebration, signalling consumer income constraints
- With a 60-day ceasefire, PMS and diesel prices would likely decline, and consumers are expected to have more money to spend
- This will likely result in a marginal recovery in the value of transactions



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THE NEW ECONOMY



EFFECT OF THE U.S-IRAN CEASEFIRE ON THE CREATIVE SECTOR

- Modest creative sector growth of 2–3% is projected for Q2 2026
- Easing geopolitical conflict could lower oil prices, reducing production and logistics costs for filmmakers and event organizers
- Consumer discretionary spending may rebound marginally.
- Fewer cancellations of concerts, film schedules, and live shows are expected



NIGERIA'S CREATIVE DOMINANCE IS FACING NEW COMPETITION



South Africa

- The creative sector contribute 3% to country's GDP (Nigeria 1.2%)
- South Africa commands 78.1% of Sub-Saharan Africa's music revenue
- South Africa's cinema spend reached \$29.9mn in 2024 vs Nigeria's \$7.5m
- Gaming industry crossed \$300mn in 2024

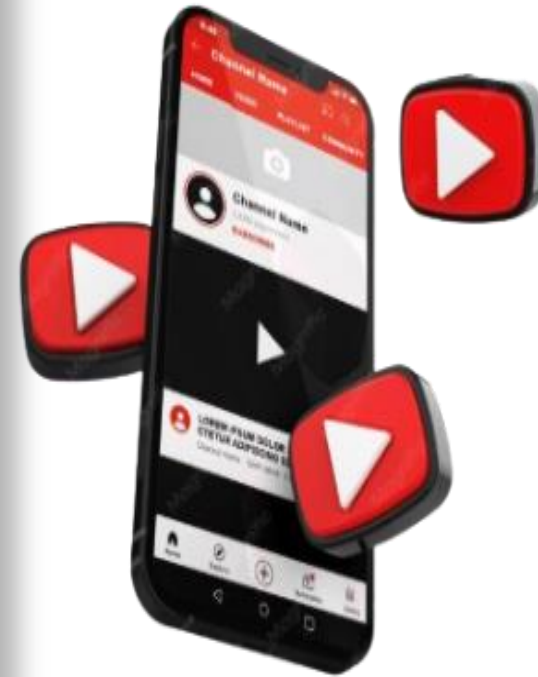


Kenya

- Rapid growth of creator led digital economy (CAGR of 11.2%)
- 89% mobile penetration driving low-cost creator monetization
- Early adoption of fintech (M-Pesa) and telecom partnerships with creators
- SMEs actively sponsor digital creators

YOUTUBE- OPPORTUNITIES OR ILLUSION FOR NOLLYWOOD?

- YouTube has emerged as Nigeria's dominant film distribution channel
- Driven by low entry barriers, mass accessibility and weak formal distribution infrastructure
- A mid-sized Nollywood YouTube film costs approximately ~~N20–N30mn~~
- This covers: script, cast, locations and post-production
- Although YouTube enables global distribution, it is structurally optimized for short-form content rather than long-form films.
- High views do not automatically translate to high income
- Nigerian creators earn just \$0.50–\$2 per 1,000 views, far below Western peers



SKIT-MAKING INDUSTRY IN NIGERIA

- Nigeria's skit-making industry is the third-largest entertainment sector in the country (\$31.2mn)
- Growth is driven by rising smartphone adoption, broadband penetration and social media usage
- Top creators command millions of followers, making them highly effective marketing channels for brands.
- **Top three skit makers in Nigeria:**



Mark Angel

Monthly Income: \$300,000+



Sabinus (Mr Funny)

Monthly Income: \$100,000



Broda Shaggi

Monthly Income: \$70,000



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GLOBAL AIR TRAVEL DEMAND FALLS 3.4% IN APRIL

- Global passenger demand fell 3.4% YoY in April 2026.
- Middle Eastern carriers recorded a 46.6% drop in traffic.
- International passenger traffic declined 5.3% YoY.
- Jet fuel prices more than doubled, raising airline costs.
- Airlines are cutting capacity amid weaker demand.
- **Excluding the Middle East, global demand would have grown 1.2%.**



DANGOTE BOOSTS JET FUEL SUPPLY AND EXPORTS

- Dangote Refinery is expanding Jet A1 exports beyond the UK to the Netherlands, France, Spain, Italy and Morocco.
- Dangote produces about 24 million litres of Jet A1 per day.
- Jet fuel exports increased by 770% from roughly 18,000bpd in April 2024 to about 158,000 bpd by April 2026.
- The refinery cut the domestic price of Jet A1 aviation fuel from ₦1,750 to ₦1,650 per litre in May 2026.
- The refinery also introduced a 30-day interest-free credit facility and shifted Jet A1 pricing to a naira-based model.
- This supports local airline fuel procurement and strengthens Nigeria's non-crude oil export earnings





NIGERIANS' MOST VISITED AFRICAN DESTINATIONS

Destination	Latest Travel Data	Key Purpose of Travel
GHANA	17% of all Nigerian outbound travel	Business, tourism, education, family visits
SOUTH AFRICA	1,010 Nigerian bookings to Johannesburg in 2025	Business, shopping, leisure
SOUTH AFRICA	576 Nigerian bookings to Cape Town in 2025	Tourism, lifestyle travel
RWANDA	International visitor arrivals up 12% in 2025	Conferences, business tourism
KENYA	Remains one of Africa's leading tourism and conference hubs	Safaris, tech events, business
MOROCCO	19.8 million tourist arrivals in 2025 (Africa's highest)	Tourism, shopping, culture
EGYPT	Over 13 million annual visitors	Historical tourism, leisure
UNITED REPUBLIC OF TANZANIA	About 1.8 million annual tourists	Zanzibar, safaris, beaches



NIGERIA ABOVE AVERAGE GLOBAL AVIATION CHARGES

- IATA lists Nigeria among African countries with above-average aviation charges
- Africa's aviation charges are about 15% higher than the global average
- Charges include taxes, passenger fees, and regulatory levies
- In some markets, fees make up to 60–70% of ticket prices
- High charges are reducing demand and weakening connectivity
- IATA calls for tax cuts and policy reforms to improve competitiveness





OUTLOOK



WHAT IS LIFE GOING TO LOOK LIKE IN AUGUST

SURVIVORS

Food



Transport Fare



House Rent



Electricity



CORPORATES

Utilities



Diesel



Borrowing costs



Salaries



ELITES

Airline tickets



Int'l school fees



Luxury goods



Taxation



VAT



Capital gains tax



Eldorado or Suffering and Smiling



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A stylized illustration of chess pieces in various colors (red, orange, blue) against a blue sky with clouds and a city skyline in the background. The pieces include a king, a knight, a queen, a rook, and a pawn.

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OUTLOOK – THE NEXT 60 DAYS

- The ECB will raise rates by 25bps to 2.4% p.a. on June 11
- The Federal Reserve will hold rates on June 15
- Nigeria's headline inflation for May will inch up to 15.9%
- The price of PMS will fall to ₦1,200 and diesel to ₦1,700 per litre
- Aviation fuel will remain at around ₦1,800.
- Cooking gas prices will remain at ₦25,000 per 12.5kg cylinder
- Brent will fall towards \$85pb
- The US/Iran ceasefire will hold mostly throughout the world cup



OUTLOOK – THE NEXT 60 DAYS

- The Strait of Hormuz will be partially open as the Iranians extract maximum leverage
- The conflict in Ukraine will escalate, with a knock-on effect on fertilizer prices
- The Nigerian stock market will give up some of its gains
- Banking stocks will bleed as the dividend restriction will spook investors
- All eyes are on the Dangote Refinery IPO,
- Which is technically and substantially oversubscribed
- The average opening position of the interbank market will fall to ~~N~~4.5 trillion
- The CBN will mop up more liquidity with OMO bills

MACROECONOMIC SNAPSHOT – 2023-2026

	2023	2024	2025	2026F
GDP (Nominal Value) \$'bn	257.85	234.31	277.82	340.77
GDP Growth (%)	2.27	3.38	3.87	4.04
GDP per head (\$)	2,139	1,083	1,224	1,468
Debt per Head (\$)	449.67	467.41	481.75	498.15
Budget size (N'trn)	21.83	28.78	54.99	68.32
Fiscal deficit (nominal value) N'trn	-11.34	-9.18	-13.18	-33.99
Fiscal deficit (% of GDP)	-4.15	-3.87	-3.6	-4.0
Exchange rate (N/\$) avg.	892	1,556	1,552	1,400
Balance of trade (\$'bn)	5.72	10.83	11.45	14.13
Inflation (avg.)%	24.52	33.18	20.54	16
Gross External Reserves (\$bn) EoP	32.91	40.88	45.50	49.26
Total Debt (\$'bn)	108.23	94.23	110.97	141.94
Power supply (Grid) MW	4100	4300	4500	4500
Stock market capitalization (\$'bn) EoP	45.89	40.33	64.03	112.75

Thank You

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Lagos, Nigeria
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