NOVA NEW THINKING. NEW OPPOTUNITIES. BANK

NOVA Weekly Economic Report

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29th April - 5th May 2025

INTERNATIONAL NEWS

U.S. crude oil prices fell over 4% after OPEC+ announced a second consecutive production increase, adding 411,000 barrels per day in June. Brent also dropped nearly 4%. With more than 800,000 bpd added over two months, prices have fallen over 20% this year. Concerns over oversupply, U.S. tariffs, and slowing demand are driving fears of reduced investment in oil exploration. Oil giants like Chevron and Exxon reported lower earnings, and Goldman Sachs now forecasts average prices of $59 for U.S. crude and $63 for Brent in 2025.

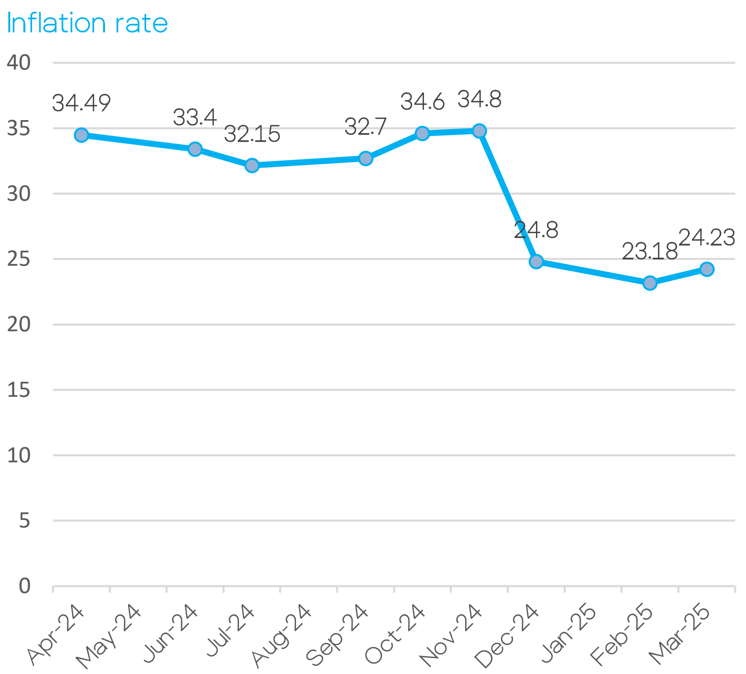
LOCAL NEWS

- The Escalating trade Tensions particularly between United States and China triggered a sharp drop in crude oil prices and heightened pressure on the Nigerian Naira.
- The Central Bank of Nigeria spent N315.18bn On currency issues expenses in 2024, marking a sharp increase of 306% compared to N77.67bn recorded in 2023.
- The World Bank has disclosed that the poverty rate among Nigerian rural population has reached 75.5% highlighting a widespread of Economic Hardship,
- Nigeria Debt Servicing Cost have surged to N8.9trn in the first nine months of 2024 , surpassing the pro -rata budget of N6.2trn.

FINANCIAL MARKET UPDATE

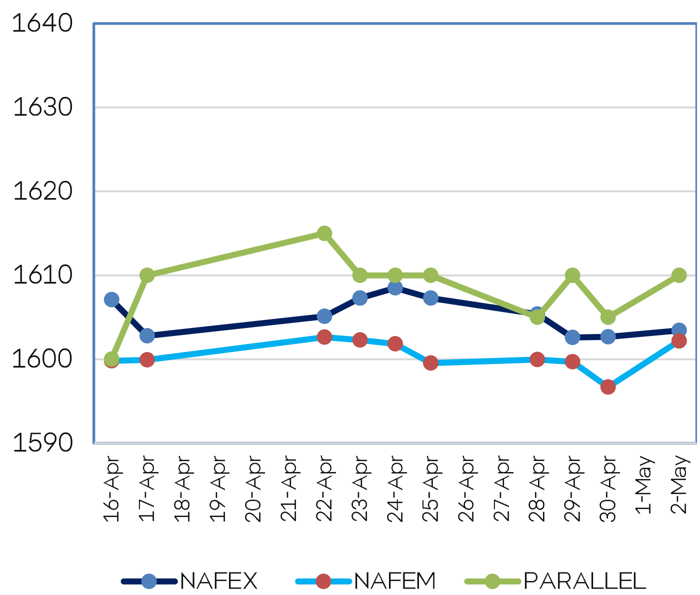
INDICATORS	CURRENT	PREVIOUS
INFLATIONRATE (YoY%)	24.23	23.18
OIL PRICE (BRENT) (US$/BARREL)	60.20	66.79
OIL PRODUCTION (MBPD)	1.47	1.54
FX RESERVE(USD MILLION)	$37.9BN	$39.72BN
MONETARY POLICY RATE	27.50%	27.25%

MACROS



FOREIGN EXCHANGE MARKET

At the NAFEX window, the naira closed at **1,603.43** and the NAFEM rate depreciated from **1,596.69 to 1,602.19.**



MONEY MARKET

System liquidity opened with a positive balance of N1.248.Trn. (Opening balance was N174.2bn, Standing Deposit Facility was N1.081Tr, and Standing Lending Facility was at 7.3bn).

MONEY MARKET RATES	2-APR-25	30-APR-25
Open Repo (OPR)	26.50	26.50
Overnight (O/N)	26.83	26.83

T-BILLS

The NTB secondary market traded calmly with a bullish tone, supported by strong liquidity. The CBN held an OMO auction on Tuesday, overselling by ₦304.85 billion due to high demand, with stop rates at 22.69% and 22.73%. The 4-Dec maturity saw the biggest yield drop of 104bps, while the average yield closed at 20.92%. Market activity is expected to remain quiet until Wednesday's PMA.

TYPE	SECURITY	DISCOUNT RATES (%)
NTB	22-May-25	22.50
NTB	26-Jun-25	18.04
NTB	10-Jul-25	17.12
NTB	9-Oct-25	18.10
OMO	20-May-25	27.35
OMO	19-Aug-25	25.40

BONDS

The FGN bond market closed the week quietly, with limited offers and more bids, causing average yields to drop slightly by 3bps to 18.60%. The DMO's ₦350bn bond auction for Apr-29 and May-33 maturities saw strong demand, especially for May-33, which received 91% of total subscriptions. Due to oversubscription, ₦397.89bn was allotted, 12% above the offer. Stop rates remained unchanged, and yields stayed flat week-on-week. Improved trading activity is expected next week due to surplus system liquidity.

COUPON RATE- % p.a.	FGN BONDS	CLOSING YIELD (%)
16.29	17-Mar-27	18.99
19.30	17-Apr-29	19.43
18.50	21-Feb-31	19.85
19.00	21-Feb-34	19.35
13.00	21-Jan-42	17.66
15.70	21-Jun-53	17.15

COMMODITIES MARKETS

COMMODITIES	CURRENT RATE	PREVIOUS RATE
WHEAT ($/BU.)	524	521
COCOA ($/mt)	8,930	9,306
GOLD ($/t. oz)	3,296	3,282
COTTON ($/lb.)	68.90	66.26
SUGAR($/lb.)	17.26	17.83
PALM OIL(MYR/T)	3,838	4,030
SILVER ($/t. oz)	32.96	33.00
NATURAL GAS ($/MMBtu)	3.6890	3.1576

***Sources:** IMF . CBN. NGX. NBS. PUNCH. Bloomberg. Trading Economics. NOVA Treasury. FMDQ. ,This Day, CNBC, Reuters , Business DAY, FMDQ*