



DFC INSIGHT

— The Weekly Report —

March 28, 2025

Geopolitical Impact of U.S. Environmental Policy Shifts Under Trump 2.0

Trump's second-term environmental policies have significantly altered the United States' approach to climate change, leading to profound and far-reaching impacts on both global markets and international relations.

The rollback of previously established climate commitments, paired with a renewed focus on expanding fossil fuel production, has intensified geopolitical tensions, particularly with nations and alliances committed to aggressive climate action.

This shift has also introduced new economic risks, as countries with a strong commitment to sustainability face both external pressures and internal challenges in adapting to these policy changes.

As the global community grapples with the implications of these policy shifts, investors and market participants must remain vigilant, closely monitoring not only the evolving domestic policies in the U.S., but also the ongoing legal battles and international responses.

These developments will be instrumental in determining how future economic and environmental landscapes evolve. In particular, the increasing divergence between nations prioritizing climate action and those focused on fossil fuel expansion may lead to further fragmentation in global markets, creating both new opportunities and risks that require careful analysis and strategic planning.



Nigeria Advances in Energy, Trade, and Investment Reforms

This week, Nigeria recorded significant progress in energy exports, fiscal policy reforms, and foreign investment discussions, marking key developments in its economic and trade landscape.

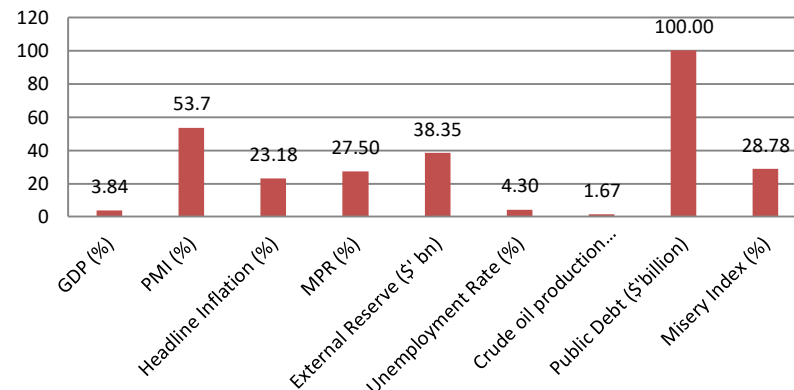
The Dangote Refinery, Africa's largest, continued to impact global fuel markets. In March alone, six vessels carrying **1.7 million barrels of jet fuel** arrived at U.S. ports, with another shipment expected by March 29. This surge in exports is expected to stabilize aviation fuel prices ahead of the peak summer travel season.

Domestically, the Nigeria Customs Service announced a two-year import duty and VAT exemption on healthcare raw materials. This policy aims to ease inflationary pressures and stimulate economic activity. Meanwhile, the House of Representatives proposed a Citizenship by Investment bill, designed to attract foreign capital through residency incentives.

On the international front, Nigeria's Finance Minister engaged with the European Union on a proposed €1.3 billion investment in domestic trade and infrastructure. If finalized, this deal could enhance economic resilience and drive long-term growth.

These developments underscore Nigeria's strategic push to solidify its role in global energy markets, attract foreign investment, and implement reforms for sustained economic stability.

Macro Indicators

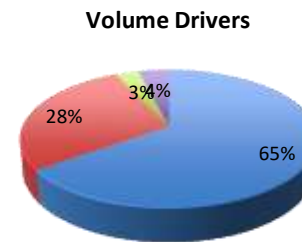


	US	UK	China	Euro Area
GDP Growth Rate (%)	2.30	0.10	1.60	0.00
Interest Rate (%)	4.50	4.50	3.10	2.65
10 Year Govt Bond (%)	4.25	4.72	1.90	3.26
Unemployment Rate (%)	4.10	4.40	5.10	6.20
Inflation Rate (%)	2.80	3.00	-0.70	2.40
PMI (%)	52.70	46.9	50.20	47.60

NGX Records Strong Trading Surge as Market Confidence Grows

The Nigerian Exchange (NGX) recorded a sharp rise in trading activity, with turnover reaching 7.521 billion shares worth N398.96 billion, a significant jump from the previous week. The NGX All-Share Index gained 0.66%, closing at 105,660.64 points, while market capitalization rose to N66.26 trillion.

The Industrial Goods sector dominated trading, contributing 65.46% of total equity turnover. Investor sentiment remained strong, with more gainers than the previous week, reflecting market optimism. Globally, U.S. stocks performed well, Europe faced challenges, and Asia saw mixed results. Investors are weighing positive economic data against geopolitical risks and market volatility, with upcoming earnings reports expected to provide further market direction.



Industrial Goods Financial services Services Others

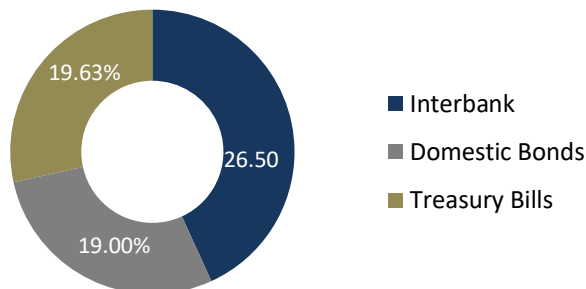
DFC Model Equity Portfolio

Position	Position	Weekly	Year to Date
This Week	Last Week	Return	Return
68,415,730	68,181,090	0.34%	-1.65%

The DFC MEP gained 0.34% for the week, reducing its year-to-date decline to 1.65%. Strong gain in GTCO (18%) outweighed losses recorded in other stocks. The portfolio remains watchful for value opportunities.

Stock Pick

Company	Sector	Current Price	Target Price	Upside	Rating
First Holdco	Financial	28.15	35.20	23%	Buy
WAPCO	Industrial	73.80	80.00	8%	Buy
UACN	Consumer	35.50	43.50	24%	Buy
Cadbury Plc	Consumer	23.00	28.00	22%	Buy
Zenith Bank	Financial	47.00	54.00	13%	Buy



- Liquidity at the Interbank market fluctuated throughout the week. Despite FAAC inflows and bond maturities, early liquidity remained negative, keeping OPR and O/N rates high. Midweek, FAAC inflows briefly eased funding pressure, but liquidity tightened again after the FGN bond auction settlement. However, NTB maturities and bond coupon payments later boosted liquidity, causing rates to drop. By week's end, additional inflows from the NLNG dividend refund and 13% derivation funds stabilized liquidity, with OPR and O/N falling to 26.50% and 26.96%, respectively.

N1.430 trillion

The DMO's auction saw robust investor demand, with total bids more than doubling the offer. The 364-day bill remained the most sought after, though its yield declined slightly.

N530.31 billion

The DMO offered N300bn but received N530.31bn in total subscriptions, indicating strong investor confidence. However, only N271.23bn was allotted, 10% below the offer and 49% below total subscriptions. Stop rates settled at 19.00% and 19.99%, respectively.

N1,536.82/\$

Improved dollar supply from the CBN helped stabilize the forex market, with the naira trading within a narrow range and appreciating slightly by week's end.

Commodity Market

Global commodities ended the week with mixed performance, driven by shifting market dynamics and geopolitical developments.

Gold rose by 0.76% as heightened uncertainty fueled demand for safe-haven assets. Silver, despite early gains, edged lower due to profit-taking as investors locked in recent profits. Crude oil prices climbed, with Brent crude gaining 2.37% and WTI crude up 1.82%.

	CURRENT	PREVIOUS	CHANGE
Brent	73.3	72.06	1.72%
WTI	69.09	68.24	1.25%
Gold	3,115.90	3,020.70	3.15%
Silver	35.91	33.53	7.10%
Platinum	996.90	980.80	1.64%
Palladium	983.00	963.50	2.02%

The rally was supported by new U.S. sanctions on Iran, which raised supply concerns, and OPEC+'s commitment to maintaining production cuts to stabilize prices.

Meanwhile, industrial metals faced downward pressure. Platinum and Palladium declined as trade uncertainties and weakening demand in key markets weighed on investor sentiment. The broader commodities market continues to respond to a mix of macroeconomic factors, including inflation trends, central bank policies, and geopolitical risks.

Outlook

Next week, improved liquidity from the anticipated ₦652.4 billion OMO maturity should help stabilize interbank rates, barring any unexpected funding pressures. In the Treasury Bills market, stronger demand is expected to drive yields lower, particularly for short to mid-tenor instruments, while profit-taking on longer-dated bills may cause some volatility.

The bond market is likely to see cautious trading as investors assess yield trends and macroeconomic developments, with interest focused on mid-tenor bonds and mixed sentiment on longer-dated papers. In the equities market, corporate earnings reports, dividend announcements, and regulatory updates will remain key drivers of sentiment. Selective buying in fundamentally strong stocks may persist, although profit-taking could occur on stocks that have recently rallied.

Market Data

	CURRENT	PREVIOUS	CHANGE
NGX ASI	105,660.64	104,962.96	0.66%
MARKET CAP	66.26	65.82	0.67%
VOLUM TRADED	7.52	2.90	159%
VALUE OF TRADE	398.94	48.06	730%
DEALS	61,312	57,044	7%

Source: NGX, DFC Research

FOREIGN EXCHANGE			
	CURRENT	PREVIOUS	CHANGE
NAFEM	1,536.82	1,536.89	0.005%
BDC	1,550	1,560	0.64%

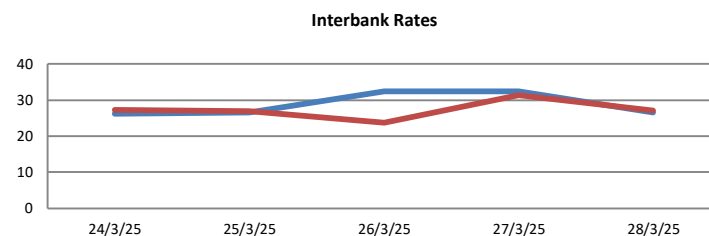
Source: FMDQ, DFC Research

BENCHMARK TREASURY BILL YIELD			
	CURRENT	PREVIOUS	CHANGE
90 DAYS	17.04%	16.78%	0.02
182 Days	18.10%	16.27%	0.10
364 Days	10.05%	18.05%	-0.80

Source: CBN, DFC Research

BENCHMARK FGN BOND YIELD			
	CURRENT	PREVIOUS	CHANGE
5 YEARS	18.50%	18.50%	0.00%
10 YEARS	19.22%	18.80%	2.23%
20 YEARS	18.36%	18.12%	1.32%
30 YEARS	17.00%	16.74%	1.55%

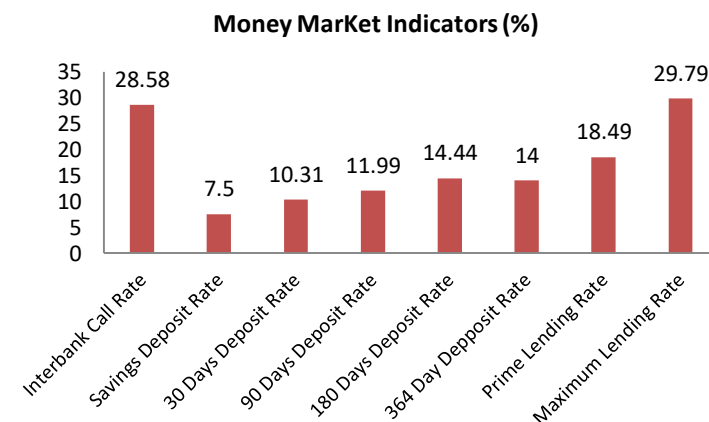
Source: FMDQ, DFC Research



Source: CBN, DFC Research

BENCHMARK FGN EURO BOND YIELD			
	CURRENT	PREVIOUS	CHANGE
5 YEARS	9.21%	9.06%	1.66%
10 YEARS	10.02%	9.89%	1.31%
15 YEARS	10.28%	10.18%	0.98%
30 YEARS	10.60%	10.50%	0.95%

Source: FMDQ, DFC Research



Source: CBN, DFC Research

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