

WEEKLY FINANCIAL MARKET REVIEW

15th – 19th September 2025

NIGERIA ECONOMIC DASHBOARD

Current

Previous

	Current	Previous	
01 Brent crude (\$/pb)	\$66.75	\$66.80	▼
02 NAFEM Rate (N/\$)	\$1,488.00	\$1,503.50	▼
03 Inflation	20.12%	21.88%	▼
04 GDP growth	3.13%	3.76%	▼
05 MPR	27.50%	27.50%	—
06 NGX cap (N'trn)	89.74	88.92	▲
07 External Debt size (\$'bn)	45.98	45.78	▲
08 Ext. reserves (\$'bn)	41.99	41.66	▲
09 Unemployment	4.30%	5.30%	▼

GLOBAL ECONOMY & MARKETS



US: Federal Reserve delivers rate cuts amid improved expectations

- The Federal Reserve cut its interest rates by 25bps in September 2025, bringing the federal funds rate down to 4.00%-4.25%. This marks the first reduction since December and signals the Fed's cautious step toward easing after more than two years of holding borrowing costs. The decision comes as the U.S. economy shows resilience and growth projections were revised higher, with GDP now expected to expand by 1.6% this year and gradually pick up in 2026 and 2027. At the same time, inflation remains a sticking point.
- The Fed's forecasts show headline PCE holding at 3% in 2025 before only slowly easing, while core inflation is expected to stay elevated at 3.1% this year. The labour market, though cooling, continues to hold up better than feared, with unemployment projected at 4.5% in 2025 and dipping slightly to 4.4% in 2026. For households and businesses, the cut offers some relief from high borrowing costs while keeping financial conditions restrictive enough to ensure inflation continues its downward path.

Europe: U.K monetary policy holds steady amid sticky inflation and rising job pressures

- Policymakers in the U.K voted to hold rates steady as the labour market loses momentum and inflation remains unchanged. The Bank of England left its rates unchanged at 4.00% in September 2025, keeping financial conditions tight as headline CPI held at 3.8% in August. Meanwhile, the unemployment rate stayed at 4.7% in the three months to July, its highest since 2021, with long-term joblessness rising and unemployment across all duration groups year-on-year.
- Still, the employment base grew to a record 34.2 million, led by gains in full-time roles, while the share of workers holding second jobs rose to 3.8%, pointing to households seeking additional income amid high living costs. The inactivity rate also edged higher to 21.1%, underscoring structural frictions in the labour force. Altogether, the BoE continues to balance risks regarding its policy to prevent further strains in the economy.

Asia: Japan's central bank holds rates as price pressures decelerate

- The Bank of Japan kept its benchmark short-term policy rate steady at 0.50% in September 2025 in a 7-2 vote, marking a cautious step amid ongoing risks including political uncertainty and the impact of U.S. trade tariffs. Core CPI inflation (excluding fresh food) slowed to 2.7% year-on-year in August down from 3.1% in July, yet it remains clearly above the BOJ's 2% target.
- The board assessed that while economic recovery remains moderate with improvements in employment and income supporting private consumption, sentiment has softened, and exports and industrial output remain weak. The central bank appears content to hold, balancing concerns about yen weakness and imported inflation against the risk of derailing a still-fragile recovery.

Africa: Bank of Ghana cuts rates aggressively following disinflation trend

- The Bank of Ghana reduced its policy rate by 350 bps to 21.5% in September 2025 following a similar move in July, as inflation retreats more rapidly. As the headline CPI dropped to 11.5% year-on-year in August; the lowest level since late 2021, moving closer to the 8-10% target band supported by improved food supply conditions, a stronger currency, and tighter policy measures earlier in the year.
- The significant easing reflects renewed confidence in macroeconomic stabilization, with lower borrowing costs intended to support growth after a prolonged period of currency weakness and high inflation. However, risks such as fiscal pressures and external vulnerabilities tied to commodity prices and exchange rate movements, which could stall progress, still stands in the face of growing optimism.

US Market

- Major U.S. indexes notching weekly gains, as the Federal Reserve's decision to cut interest rates set in investors' minds. Week on week the S&P 500 gained 1.22%, closing at 6,664.37. The Dow Jones Industrial Average also rose by 0.96%, closing at 46,258.50. The tech-focused Nasdaq Composite was up by 2.22% to settle at 24,626.25.
- Stocks got a boost this week after the Fed lowered its benchmark overnight lending rate by a quarter percentage point, its first-rate reduction since December. The move was widely expected by markets, but stocks had a volatile session on the back of the decision after Fed Chair Jerome Powell in his press conference characterized the decision as a "risk management cut."

European Market

- European equities traded lower, as trade and the economy remained in focus. The U.K.'s FTSE 100 fell by -0.72% to settle at 9,216.67 for the week. Germany's DAX was down -0.25% to end the week at 23,639.41 and France's CAC 40 was down by -14.83% settling at 6,664.37. The pan-European Stoxx 600 index closed lower, ending the week at 554.12, -0.13% down from the prior week.
- U.S. President Donald Trump, who made a state visit to the U.K. this week, held a much-anticipated call with Chinese leader Xi Jinping on Friday. It comes after U.S. and Chinese negotiators reached a framework deal on TikTok's U.S. business at talks in Madrid, Spain, this week.

Asian Market

- Asia-Pacific markets traded mixed during the week. Hong Kong's Hang Seng Index rose by 0.59% to close at 26,545.10. Japan's Nikkei 225 gained 0.62% to close at 45,045.76, the Topix was down -0.41% to 3,147.68. The Kospi index was up by 1.46%, closing at 3,445.24, Mainland China's CSI 300 index gained 1.38%, ending the week at 4,522.00.
- The decision to hold rates comes as Japan's core inflation rate in August fell to its lowest since November 2024 at 2.7%, marking a third straight month of decline. The Japanese yen appreciated by 0.14% against the dollar to 147.80.

DOMESTIC ECONOMY & MARKETS



FAAC allocates N2.22 trillion to FG, States and Local Government in August 2025

- The Federation Account Allocation Committee (FAAC) has announced the disbursement of N2.22 trillion to the three tiers of government as revenue allocation for August 2025. This represents an increase of 11.2% (N224.118 billion) compared to N2.001 trillion distributed in July. According to the statement issued by the Ministry of Finance, the N2.225 trillion distributable revenue comprised statutory revenue of N1.478 trillion, Value Added Tax revenue of N672.903 billion, Electronic Money Transfer Levy revenue of N32.338 billion, and Exchange Difference of N41.284 billion.
- From the distributable allocation, the federal government received N810.05 billion, the states received N709.83 billion, and local governments shared N522.23 billion, while oil-producing states received N183.01 billion as 13% derivation. The committee also revealed that N124.84 billion was set aside as the cost of collection, while N1.28 trillion went into transfers, interventions and refunds.

Nigeria's headline eases to 20.12% in August 2025

- Nigeria's headline inflation rate eased for the fifth consecutive month, dropping to 20.12% in August 2025 from 21.88% recorded in July 2025. This is according to the latest figures released on Monday by the National Bureau of Statistics (NBS). On a month-on-month basis, the headline inflation stood at 0.74% in August, reflecting a moderation compared to previous months. In other words, the rate of increase in the average price level in August was lower than the rate of increase in the average price level in July 2025.
- On a year-on-year basis, all items less farm produce and core inflation (all items less farm produce and energy) mirrored the performance of the headline inflation, slowing down to 20.10% (21.38% in July 2025) and 20.33% (21.33% in July 2025) respectively. Similarly, food inflation eased to 21.87% year-on-year, reflecting softness in household spending.

FG suspends 4% FOB Levy on imported goods

- The Federal Government has suspended the 4% Free on Board (FOB) charge recently imposed on imported goods by the Nigeria Customs Service. The 4% Free on Board (FOB) charge was introduced by the Nigeria Customs Service in August as a unified levy intended to replace multiple import-related fees, enhance transparency, and boost revenue collection.
- This suspension follows consultations with industry stakeholders, trade experts, and government officials, who raised concerns that the levy could increase costs for importers, reduce trade competitiveness, and create inflationary pressure in the economy. Following these developments and consultations with stakeholders, the Federal Government suspended the 4% FOB levy to allow for a review of its framework and assess its impact on trade competitiveness, business operations, and the wider economy.

Money Market

- The market was awash with liquidity for the week, despite the CBN auction. Sustained liquidity level was supported by FAAC injections and OMO maturities over the week, cancelling out the liquidity mop up the NTB auction should have had on the system. Reflecting increasing market liquidity, Standing Deposit Facility (SDF) utilization was notably higher than Standing Lending Facility (SLF). On the final trading day of the week, liquidity within the system stood at ₦1.67 trillion, although lower than ₦2.09 trillion from the previous week, liquidity is still at a considerably high level. Despite the surge in liquidity, banking rate remained relatively stable for the week. Consequently, Open Buy Back (OBB) rate closed flat at 26.50%, while the Overnight (O/N) eased by 1 basis point settled at 26.95%.
- At the Treasury Bills Primary Market Auction held on Wednesday, September 17th, 2025, the CBN offered ₦290 billion worth of bills, while total subscriptions reached ₦1.59 trillion, reflecting improved investor's interest across tenors. Eventually, only ₦345.1 billion worth of bills was allotted, translating to a bid-to-cover ratio of 4.6x. Stop rate settled lower across all tenors for the auction. The 91-day, 182-day and the 364-day bill closed at 15.00% (-32 bps), 15.30% (-20 bps), and 16.78% (-91 bps), respectively.
- The bulls took over the Treasury Bills secondary for the week. As a result, the average benchmark yield ended the week lower at 18.51% (-41.83 bps), compared to 18.93% in the prior week.
- For the fourth straight week, the OMO secondary market, experienced downward pressure on the average yield. At the end of the week, the benchmark yield recorded a steep decline from 24.68% to settle at 21.84% (-283.88 bps).

Fixed Income Market

- Bullish sentiments drove the bond secondary market this week, albeit mild as average benchmark yield closed at 16.47% (-0.58bps) compared to 16.48% recorded in the previous week. Activity was more prominent in long and mid segment of the curve, with short-term instruments closing flat at 17.03%. On the other hand, mid-term instruments closed at 16.63% (-3.76bps) and long-term instruments closed at 15.86% (-8.29 bps).

Eurobond Market

- During the week, the Federal Reserve implemented its first interest rate reduction of the year, lowering the benchmark rate by 25 basis points. This move aligned with the predictions of analysts and investors. Following the announcement by the FOMC, bearish sentiment dominated the final two trading sessions of the week.

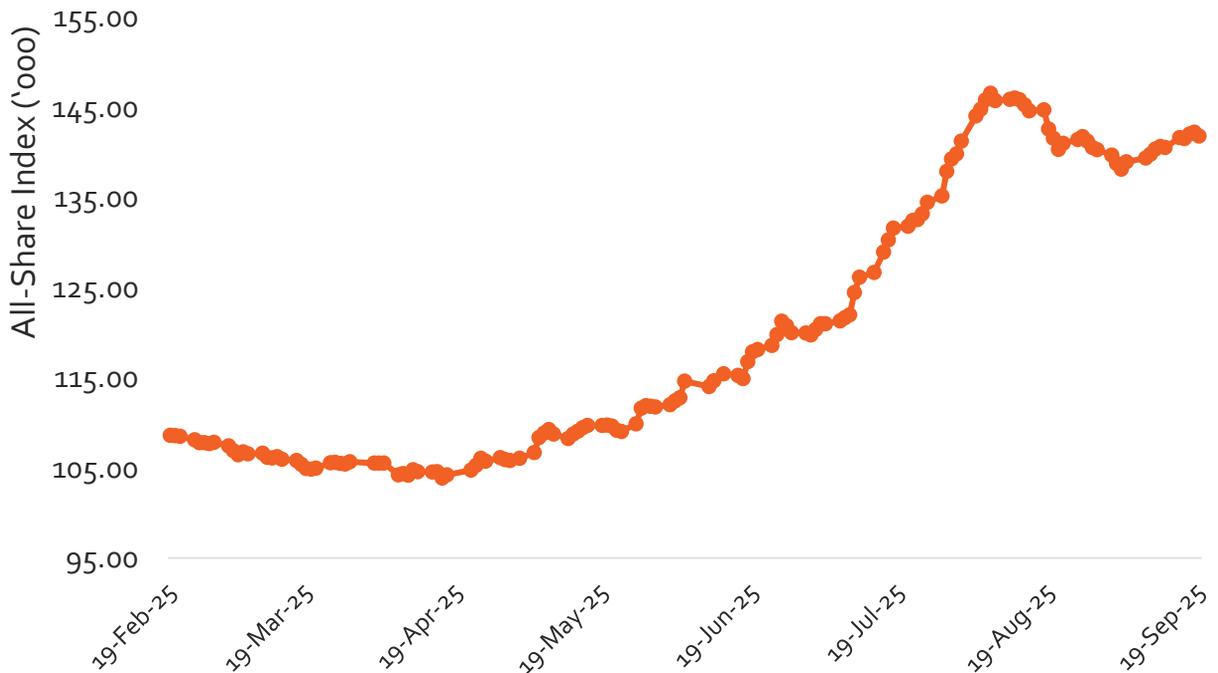
The Norrenberger NSEI yield rose on a week-on-week basis by 13bps, ending the week at 7.85%.

Focus will be directed toward the labor market and PCE data.

The Equities Market

- The NGX All-Share Index and Market Capitalization appreciated by 0.92% to close the week at 141,845.35 and N89.744 trillion respectively.
- Forty (40) equities appreciated in price during the week, lower than seventy (70) equities in the previous week. Forty-one (41) equities depreciated in price, higher than twenty-two (22) equities in the previous week, while sixty-six (66) equities remained unchanged, higher than fifty-five (55) recorded in the previous week.
- A total turnover of 2.735 billion shares worth N85.197 billion in 127,284 deals was traded this week by investors on the floor of the Exchange, in contrast to a total of 3.188 billion shares valued at N99.685 billion that exchanged hands last week in 132,711 deals.
- Major sectoral indices recorded mixed performance for the week. Consumer Goods (+5.48%) posted the highest gain for the week, followed by Oil and Gas (+2.79%), and Industrial Goods (+0.05%). Insurance (-4.67%) and Banking (-2.57%) were the only laggards for the week.
- GUINNESS (+28.60%), MULTIVERSE (+21.30%), and EUNISELL (+20.28%) were the top gainers for the week. On the flip side, OMATEK (-18.18%), CORNEST (-15.42%), and NSLTECH (-12.79%) were among the top losers for the week.

NGX All Share Index - YTD



Source: NGX, Norrenberger Research

ISLAMIC FINANCE



Uzbekistan advances draft law to introduce Islamic banking system

- To formally implement an Islamic banking system in its financial sector, Uzbekistan is moving forward with a draft law. The plan was accepted in its first reading by the Oliy Majlis (parliament) on September 16, 2025. In order to help enterprises and the economy, the law seeks to increase financial inclusion, draw in international investment, and develop alternative methods.
- To allow Islamic banking, the proposed legislation would change eight additional statutes as well as the Tax and Civil Codes. It presents new legal terminology, such as investment deposits, Sharia-compliant financial operations, and Islamic banks. Additionally, it permits the establishment of "Islamic windows," or Islamic finance divisions inside traditional banks.
- The draft law describes the usage of commonly used Islamic financial mechanisms, including Salam contracts, Wakala (agency agreements), Musharrakah (joint ventures), Murabaha (cost-plus financing), and Mudaraba (profit-sharing). It also calls for the creation of institutional and legal frameworks, such as audit committees, special councils, and accounting systems, to guarantee adherence. It is also suggested that Islamic finance operations be subject to a particular tax framework.
- The framework incorporates basic Islamic finance principles. Among these are the proscriptions against charging interest (riba), financing activities that are prohibited by Islamic law, and engaging into contracts that are too speculative (gharar). The system instead places a strong emphasis on cooperation, commerce, and risk-sharing approaches. Islamic banks, in contrast to traditional banks, would be permitted to participate directly in stock and trading.

NGX Lotus Islamic Index gains 1.84%

- The NGX Lotus Islamic Index posted a notable weekly gain of 1.84%, having opened at 11,578.69 points and closed at 11,792.02 points. The positive performance was primarily driven by significant gains in key constituents, notably ARADEL (+0.08%), BUAFOODS (+0.07%), DANGCEM (+0.01%) and NAHCO (+0.01%).

Sukuk trading report for the week

- A total of 14 deals were executed in the sukuk market via the floor of the exchange this week, in comparison to the 8 deals that was reported last week. A total of 29,597 units were traded, with a total value of N30.34 million, in contrast to the 6,727 units valued at N6.84 million transacted last week.
- The FGSUK2033S6 and FGSUK2031S4 emerged as the most traded sukuks, both having 5 deals executed, a total volume of 28,597 units traded, and a total value of N29.38 million.

CURRENCY & ENERGY MARKETS



Currency Market

	19-Sept-25	12-Sept-25	W-o-W%
NAFEM (N/\$)	1,488.00	1,503.50	+1.04%
Parallel Market (N/\$)	1,520.00	1,526.00	+0.39%

- The naira has continued to gain ground across both official and parallel markets in the week ended. At the NAFEM window, the exchange rate appreciated by 1.04% to ₦1,488 from ₦1,503.50 the week prior, while in the parallel market, the currency strengthened slightly by 0.39% to ₦1,520.
- The improvement reflects continued improved FX liquidity conditions due to higher foreign reserves and sustained interventions by the Central Bank of Nigeria, which have helped stabilize the local currency. While structural risks remain, analysts project further strengthening by the end of the year driven by rising foreign investment inflows, improved balance of payments, and higher crude oil output. Overall, the trajectory of the naira remains hinged on supportive trends being sustained.

Commodities & Energy Market

Items	Gold (\$/t.oz)	Silver (\$/t.oz)	Coal (\$/T)	Cocoa (\$/T)	Soybeans (\$/Bu)
Weekly Performance (%)	+0.83%	+1.45%	+2.43%	+0.23%	-2.02%

Dangote Refinery exports first petrol shipment to U.S.

- Nigeria’s Dangote refinery has exported its first shipment of petrol (gasoline) to the United States, marking a major milestone for the 650,000-barrel-per-day facility. The delivery, carried on the tanker Gemini Pearl, demonstrates the refinery’s ability to produce fuel that meets strict U.S. motor fuel standards.
- This shipment comes after a series of startup delays at the refinery, one of the world’s largest. Since ramping up production, the Dangote refinery has significantly reduced Nigeria’s reliance on imported fuel while exporting surplus petrol, primarily to Europe and now to the U.S. The Dangote refinery’s entrance into the U.S. petrol market highlights Nigeria’s growing role in global energy flows and highlights the refinery’s capacity to meet international fuel standards, potentially reshaping trade patterns for the region.

Oil drops as Trump, Xi meeting curbs tariff expectations

- OPEC+ recently agreed to expedite the release of an additional oil output, continuing its strategy of focusing on market share ahead of pricing. OPEC+ on Sunday decided to increase oil output by 137,000 barrels per day starting next month. It is the first portion of a larger supply tranche of 1.65 million barrels per day, which was intended to be held back until the end of the following year.
- This situation is especially challenging for countries like Nigeria, Africa’s largest oil producer. OPEC+ stated that it would gradually return all or a portion of the 1.65 million barrels, without providing a timeframe or any increments. The group’s recent decision was made amid growing concerns that, as the northern hemisphere’s summer driving season draws to a close, the oil market is about to experience a major oversupply.



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