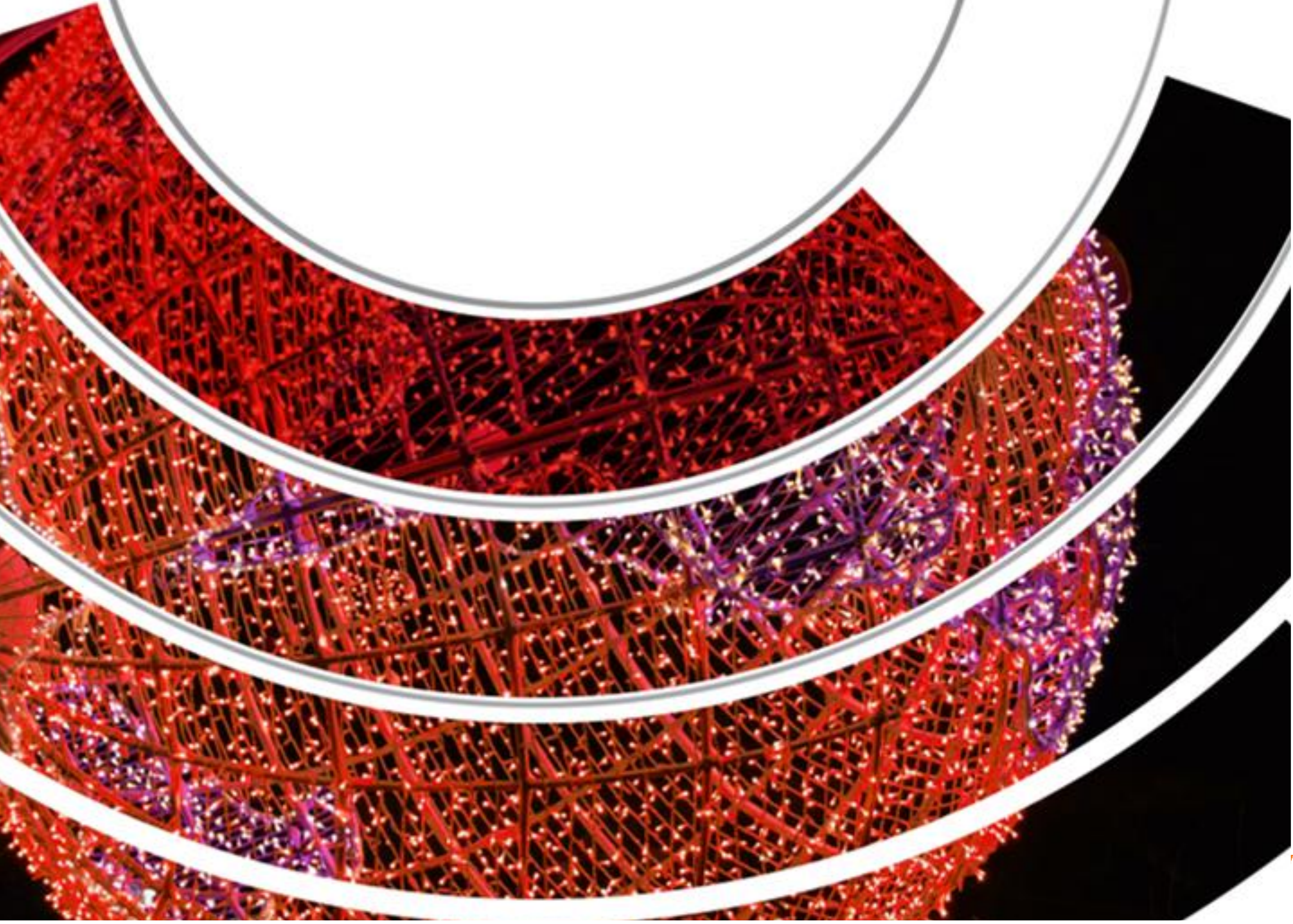
WEEKLY FINANCIAL MARKET REVIEW

20th – 24th October 2025



NIGERIA ECONOMIC DASHBOARD

		Current	Previous
01	Brent crude ($/pb)	$65.96	$61.17
02	NAFEM Rate (N/$)	$1,455.00	$1,471.00
03	Inflation	18.02%	20.12%
04	GDP growth	4.23%	3.13%
05	MPR	27.00%	27.50%
06	NGX cap (N'trn)	98.79	94.56
07	External Debt size ($'bn)	46.98	45.98
08	Ext. reserves ($'bn)	42.87	42.68
09	Unemployment	4.30%	5.30%

GLOBAL ECONOMY & MARKETS

US: Consumer Prices rises to its highest level in nine months

- U.S. inflation edged higher in September 2025, with the annual rate rising to 3.0% from 2.9% in August, the highest since January, though it fell slightly below market expectations of 3.1%. The uptick was largely fueled by higher energy prices, which climbed 2.8% year-on-year, their sharpest gain since May 2024, as fuel oil and gasoline costs rebounded. Meanwhile, food inflation eased modestly to 3.1%, while prices for used cars, transportation services, and household goods saw slower upticks. Shelter costs, which is the largest CPI component, held steady at 3.6%, underscoring continued housing pressure. The core inflation rate, which excludes food and energy, eased to 3% from 3.1%, indicating underlying price pressures are stabilizing.
- On a monthly basis, consumer prices rose 0.3%, below August's 0.4%, as energy costs surged but declines in vehicle insurance and communication services provided some relief. Following the trend of the inflation levels falling below expectations, this offer cautious optimism that inflation remains on a gradual downward path, even as volatile energy prices pose a risk to price stability in the near-term.

Europe: Eurozone business activity rises to 17-month high in October

- Business activity across the euro area accelerated in October 2025, with the Flash Composite PMI from rising to 52.2, up from 51.2 in September, marking the fastest pace since mid-2024. This rebound was driven by a strong services sector (52.6), reaching a 14-month high, and manufacturing output ticking up to 51.1, though the broader manufacturing headline remained at the 50.0 threshold. Employment experienced a rebound, buoyed by services hiring, even as manufacturing firms laid off staff at the fastest pace in four months. Firms reported operating cost pressures easing slightly, while raising their selling prices which suggests moderate inflation risk may persist.
- A review of the member states revealed differences in trends as Germany led the growth with its private sector posting the fastest expansion, while France continued to lag amid political uncertainty and contracting activity. While business activity improved in the eurozone area, business confidence slipped to a five-month low, signaling caution among firms. While the euro-zone economy picked up momentum heading into Q4, structural headwinds that may impact the positive trend remain a viable threat.

Asia: China's economic growth eases in Q3 2025

- China's economy grew 4.8% year-on-year in Q3 2025, easing from 5.2% in Q2, marking its slowest expansion since Q3 2024. The moderation underscores cooling momentum after a strong start to the year, as the country continues to navigate headwinds stemming from trade tensions with the U.S., a deepening property slump, and weakening consumer demand. Retail sales rose at their slowest pace in a year despite ongoing consumer subsidy programs, while the jobless rate dipped slightly but hovered near August's six-month high. However, industrial production accelerated to its fastest growth in three months, supported by robust manufacturing activity ahead of the Golden Week holiday. Trade performance also ticked up, with both exports and imports surpassing forecasts as firms diversified markets and domestic spending strengthened.
- Analysts continue to lay emphasis on lingering risks and external headwinds, warning that recovery remains fragile. Although, officials maintained that the 5.2% average growth recorded in the first nine months provides a solid backing towards attaining the government's full-year target of around 5%, reinforcing expectations of targeted policy support in the coming quarters to sustain growth momentum.

Africa: South Africa's inflation edges up in September

- South Africa's annual inflation rate ticked up to 3.4% in September 2025, from 3.3% in August, staying within the South African Reserve Bank's (SARB) target range of 3% to 6% and slightly below market expectations of 3.5%. The modest rise was largely driven by higher prices for housing and utilities, which climbed 4.5% from 4.3% in August, reflecting increases in electricity, gas, and water costs. Inflation also strengthened across restaurants and hotels (3% vs 2.6%) and miscellaneous goods and services (2.8% vs 2.6%). On the other hand, transportation costs declined at a slower rate, easing 0.1% compared to a 1.4% drop in August, with fuel prices falling 2.2% versus 5.7% previously. Food prices continued to ease, recording their smallest increase in five months, at 4.5% from 5.2% in August. Meanwhile, core inflation, which excludes volatile items like food, non-alcoholic beverages, fuel, and energy, rose to 3.2%, marking a seven-month high.
- On a month-on-month basis, the Consumer Price Index (CPI) rose 0.2% in September, following a 0.1% decline in the previous month. As inflation remains within target, SARB has room to maintain its cautious monetary stance as it balances price stability with supporting economic growth.

US Market

- For the week, U.S. stocks closed mixed as cool inflation data spurred optimism among investors that the Federal Reserve can stay on its rate-cutting path, boosting the U.S. economy and justifying higher valuations for equities. The S&P 500 was up by 1.92% to close at 6,791.69, the blue-chip Dow Jones Industrial Average was up by 2.20% to close at 47,207.12, while the tech-heavy Nasdaq Composite fell by -6.50% to close the week 23,204.87.
- The September consumer price index report — which was delayed because of the U.S. government shutdown — rose 0.3% on the month, bringing the annual inflation rate to 3%, according to the Bureau of Labor Statistics. That's just below the 0.4% and 3.1% that economists polled by Dow Jones had expected. When excluding food and energy, core CPI came in at 0.2% last month and 3% on a 12-month basis, also lighter than the Dow Jones forecasts for 0.3% and 3.1%, respectively.
- Following the CPI data, traders increased their bets that the Fed will cut rates at both of its remaining two meetings this year. Odds for a December cut initially jumped to 98.5% from roughly 91% odds before the data, per the CME FedWatch tool. Odds for a cut next week remained above 95%. Hopes that more rate cuts would stimulate economic activity sent bank stocks higher.

European Market

- Stocks listed in Europe rose week on week as investors reacted to a delayed U.S. inflation print and a flurry of corporate earnings reports.
- On a week-on-week basis, the U.K.'s FTSE 100 gained 3.11% to settle at 9,645.62, Germany's DAX rose by 1.72% to close at 24,239.89, France's CAC 40 gained 0.63% to close at 8,225.63 and the pan-European Stoxx 600 index also closed in the green by 1.68% to 575.77.
- Across the Atlantic, the U.S. Bureau of Labor Statistics on Friday said that America's annual inflation rate hit a lower-than-expected 3% in September. U.S. stocks rose following the print, which had grown in importance due to it being the only federal data allowed to be released during the ongoing government shutdown. Elsewhere, the European Union and U.S. announced complementary sanctions packages targeting Russia, in what could be a high point in an otherwise thorny relationship for the two states this year.

Asian Market

- Asian stocks closed in the green week on week amid regional gains after the White House said that U.S. President Donald Trump and China's President Xi Jinping were set to hold talks next week. Hong Kong's Hang Seng Index rose by 3.62% and closed at 26,160.16, the Kospi index was up by 5.14% to close at 3,941.60 and Japan's Nikkei 225 gained 3.61% to settle at 49,299.60. The Topix rose by 3.12% to close at 3,269.45.
- U.S. Press Secretary Karoline Leavitt said Trump will leave for Malaysia late Friday and then travel to Japan and South Korea, meeting Xi next Thursday after speaking at the Asia-Pacific Economic Cooperation CEO Summit. South Korea's finance ministry said Friday it was ready to step in to stabilize the foreign exchange market if needed, amid persistent volatility in the won-dollar trade.
- The South Korean won, which strengthened 0.11% to 1,434.7 against the dollar on Friday, has dropped more than 4% against the greenback over the last three months. It has appreciated 2.86% against the dollar this year.

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DOMESTIC ECONOMY & MARKETS

Nigeria exits FATF's grey list

- After nearly three years of being on the Financial Action Task Force (FATF)'s grey list, the global money laundering and terrorist financing watchdog announced Nigeria's delisting from the watchlist. The delisting was made public at the FATF's October 2025 Plenary in Paris, signaling Nigeria's removal from the list of jurisdictions under increased monitoring. The FATF is the world's foremost standard-setting body for combating money laundering, terrorist financing, and proliferation financing.
- Nigeria was added to the grey list in February 2023, during which the FATF identified strategic deficiencies in Nigeria's Anti-Money Laundering and Countering the Financing of Terrorism framework. Nigeria was removed from the list alongside South Africa, Burkina Faso, and Mozambique after their governments stepped up efforts to combat money laundering and terrorist financing.
- Nigeria was removed from the list after successfully completing the FATF Action Plan, a process that involved over two years of continuous work, institutional reforms, and collaboration among relevant agencies to strengthen its systems for preventing money laundering and terrorist financing. Nigeria's removal from the grey list represents a confidence boost for its financial system and broader economy.

IMTO inflows decline 17.8% million in Q1 2025

- Nigeria's International Money Transfer Operator (IMTO) inflows declined by $193.14 million in the first quarter of 2025. Data from the CBN's quarterly statistical bulletin shows that inflows fell to $888.39 million in Q1 2025, compared to $1.08 billion in the same period of 2024. This represents a 17.8% decline year-on-year and highlights the fragile momentum of diaspora remittances into Africa's largest economy.
- Inflows in the first quarter of 2025 although lower than Q1 2024, still outpaced the $770.23 million recorded in Q1 2023, suggesting that remittance levels remain elevated compared to pre-2024 levels. However, the sharp drop from last year underlines the challenge facing policymakers in sustaining inflows amid global economic uncertainty and domestic foreign exchange pressures.

Federal Government launches "Federal Treasury Receipt (FTR)

- The Federal Government through the Ministry of Finance launched the Federal Treasury Receipt (FTR), as part of ongoing reforms to strengthen revenue collection, curb leakages, and improve fiscal transparency. The new system is expected to provide a single, standardised, and digitally verifiable proof of all payments made into federal accounts, ensuring that every government-issued receipt matches actual funds received by the Treasury.
- The FTR complements existing digital revenue tools such as the Central Billing System (CBS) and the Revenue Optimisation and Assurance Platform (RevOp), which was launched in August 2025. Together, these platforms create an end-to-end framework for monitoring financial inflows across Ministries, Departments, and Agencies (MDAs). The government commenced a 30-day pilot phase of the FTR with ten selected MDAs before nationwide implementation, allowing time to test the system's efficiency and integration with existing infrastructure.
- This reform was motivated by persistent challenges in Nigeria's revenue management, including a low tax-to-GDP ratio (below 10%), fragmented payment processes, and incomplete digital integration of earlier initiatives such as the Treasury Single Account (TSA). By digitizing receipt issuance and linking all payments to government systems, the FTR seeks to close gaps that have enabled revenue leakages and misreporting. It also aligns with international recommendations, including those from the IMF, urging Nigeria to widen its tax base and strengthen fiscal transparency.

Money Market

- In the review week, system liquidity opened at a net positive balance of ₦956 billion, reflecting softening liquidity at the start of the week. During the week, fresh liquidity was injected into the system via primary market repayments, increasing liquidity levels. However, the Central Bank of Nigeria (CBN) held primary market auctions and Open Market Operation (OMO) sales, in a bid to balance liquidity levels. Despite the liquidity management efforts of the Apex bank, liquidity still surged during the week. On the last trading day of the week, liquidity stood at ₦3.1 trillion, reflecting heightened liquidity within the system over the week. Banking rates recorded slight declines, with the Open Buy Back (OBB) rate closing at 24.50% (-4bps), and in the same vein, the Overnight (O/N) rate also dipped, closing at 24.83% (-24bps) for the week.
- At the Treasury Bills Primary Market Auction held on Wednesday, October 22, 2025, the CBN offered ₦650 billion worth of Treasury bills. The auction was oversubscribed with subscriptions reaching ₦750 billion, as a result, the bid-to-cover ratio settled at 1.16x, underscoring investors continued interest in near term liquidity instruments. At the end of the auction, the apex bank allotted only ₦392 billion worth of bills. Stop rates inched upward across all tenors. The 91-day bill cleared at 15.30% (+30 bps), likewise the 182- and 364-day bill, printed at 15.50% (+25 bps), and 16.14% (+37 bps) respectively.
- The Treasury Bills secondary market traded mildly bearish in the review week as the average yield settled at 17.39%, gaining 2bps relative to 17.37% recorded in the previous week.
- Similarly, average yield in the OMO secondary market increased by 15bps to close at 21.38%, in contrast to 21.22% recorded in the prior week.

Fixed Income Market

- Average yield in the bond secondary market eased slightly to 15.76% (-6bps) compared to last week's 15.82%.
- Specifically, instruments at the short end of the curve closed at 16.06% (+2bps), while mid-term instruments recorded 15.75% (-14bps). Long-term instruments were somewhat steady at 15.56%.

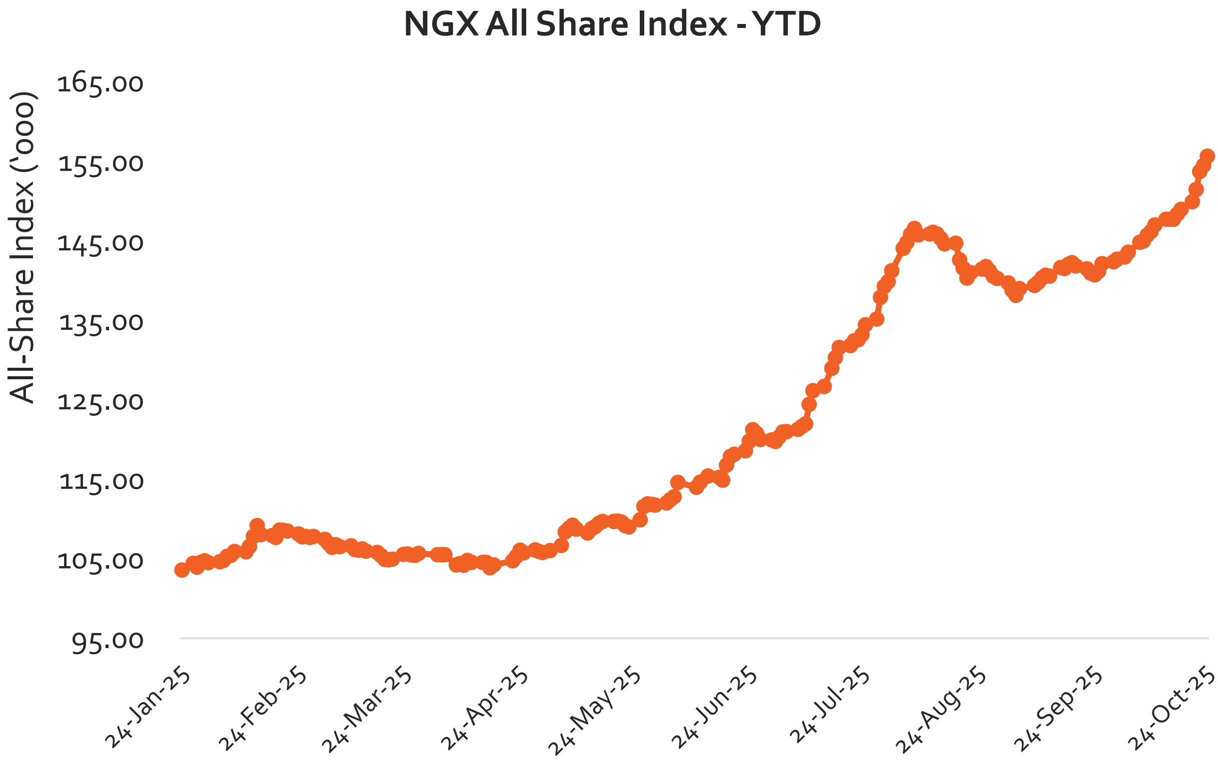
Fixed Income Market

- Amid heightened tensions between the U.S., Canada, and Russia, the Nigerian Eurobond market experienced a bullish trend last week. This was partly attributed to the easing of U.S.-China trade tensions, with President Trump scheduled to meet President Xi Jinping coming week. Additionally, inflation data released during the week showed that price increases were slightly lower than forecast, bolstering expectations that the Federal Reserve will cut interest rates in the new week and again in December in response to a weakening labour market.
- Consequently, the Norrenberger NSEI yield dipped on a week-on-week basis by 20bps, ending the week at 7.59%.

All eyes will be on the FOMC decision

The Equities Market

- The Nigerian equities market extended its bullish momentum this week, as the NGX All-Share Index (ASI) advanced by 4.48%, crossing the 150,000 benchmark to close at 155,645.05 points, while market capitalization rose to ₦98.79 trillion. The market's strong performance was driven by broad-based gains across major sectors, reflecting sustained investor confidence and positive sentiment following corporate disclosures.
- Market breadth closed negative, as forty-four (44) equities appreciated in price during the week, lower than fifty-two (52) in the previous week. Conversely, forty-nine (49) equities depreciated, higher than forty-one (41) in the prior week, while fifty-three (53) equities remained unchanged, the same as the previous week.
- A total turnover of 3.70 billion shares worth ₦129.89 billion in 148,077 deals was traded this week by investors on the floor of the Exchange, compared to 2.42 billion shares valued at ₦76.62 billion that exchanged hands last week in 126,591 deals.
- Sectoral performance was majorly positive, with the Industrial Goods (+10.61%) index maintaining its lead on the gainers' chart, followed by Oil & Gas (+9.13%), and Consumer Goods (+3.94%). Conversely, Banking (-1.35%), and Insurance (-1.10%) recorded mild declines.
- On the price performance chart, ASO Savings and Loans Plc led the gainers' list, rallying +32.00%, followed by ARADEL Holdings (+25.20%), and EUNISELL (+19.73%). On the flip side, LIVINGTRUST (10.89%) topped the losers' chart, trailed by JULI (-9.94%), and RTBRISCOE (-9.84%).



Source: NGX, Norrenberger Research

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ISLAMIC FINANCE

Inertia signs $109.5 million Islamic Financing deal for Jefaira project

- The large-scale Jefaira project on Egypt's North Coast has received a substantial $109.5 million in Islamic finance from Egyptian real estate developer Inertia Development. This agreement, which will assist the project's expansion and construction phases, represents a significant milestone in its growth. The financing agreement is set up in accordance with Shariah-compliant guidelines, highlighting the growing significance of Islamic finance in Egypt's expanding real estate industry.
- The Jefaira project is a massive construction that includes a variety of business areas, recreational amenities, and residential units. Inertia hopes to expedite the building process with this fresh round of funding, establishing Jefaira as a top North Coast tourist and leisure destination. An enormous number of people and investors are anticipated to be drawn in by the project, which will increase the area's allure as a desirable place to invest and spend time.
- The increasing need for Islamic financing in Egypt, especially for major infrastructure and real estate projects, is further demonstrated by this financing agreement. By employing financial products that adhere to Shariah, Inertia is reaching a clientele that is becoming increasingly interested in morally and legally sound investing options. Egypt is now positioned as a developing centre for Islamic financial solutions, indicating a strong and ongoing interest in the sector.

NGX Lotus Islamic Index gains 9.52%

- The NGX Lotus Islamic Index posted an impressive weekly gain of 9.52%, having opened at 12,618.11 points and closed at 13,819.80 points. The positive performance was primarily driven by significant gains in key constituents, notably ARADEL (+0.25%), BUACEMENT (+0.13%), NASCON (+0.13%), DANGCEM (+0.11%), MTNN (+0.09%), BUAFOODS (+0.07%), WAPCO (+0.07%), NAHCO (+0.06%) and CAP (+0.06%).

Sukuk trading report for the week

- A total of 24 deals were executed in the sukuk market via the floor of the exchange this week, in comparison to the 30 deals that were reported last week. A total of 336,046 units were traded, with a total value of N282.93 million, in contrast to the 433,092 units valued at N365.38 million transacted last week.

- The FGSUK2027S3 emerged as the most traded sukuk for the second consecutive week, having 4 deals executed, a volume of 260,005 units traded and a value of N210.39 million.

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CURRENCY & ENERGY MARKETS

Currency Market

	24-Oct-25	17-Oct-25	W-o-W%
NAFEM (N/$)	1,455.50	1,471.00	+1.06%
Parallel Market (N/$)	1,487.00	1,491.00	+0.27%

- The naira recorded modest gains across the official and parallel markets week-on-week, reflecting improved FX supply conditions and sustained interventions in the market. At the Nigerian Autonomous Foreign Exchange Market (NAFEM), the local currency appreciated by 1.06% week-on-week to close at ₦1,455.50/$1, compared to ₦1,471/$1 in the prior week, while in the parallel market, the naira strengthened slightly by 0.27% to ₦1,487/$1 from ₦1,491/$1 previously.
- Notably, this rebound followed a week of depreciation despite a buildup in the country's external reserves, which has now risen to $42.8 billion, buoyed by steady foreign exchange inflows and enhanced dollar supply. The renewed stability highlights improved market confidence and impact of ongoing monetary and fiscal policies to restore balance to the FX market. In the coming week, continued improvement in liquidity and transparent FX management will be pertinent in sustaining the positive momentum, thereby easing pressure on the naira and supporting broader macroeconomic stability.

Commodities & Energy Market

Items	Gold ($/t.oz)	Silver ($/t.oz)	Coal ($/T)	Cocoa ($/T)	Soybeans ($/Bu)
Weekly Performance (%)	-2.65%	-5.88%	-0.38%	+7.03%	+2.21

Gold slips below $4,120 as inflation data fuels rate cut bets

- Gold prices pared losses but remained below $4,120 per ounce on Friday, after weaker-than-expected US CPI data boosted expectations of lower interest rates. The report, delayed by the US government shutdown, showed headline inflation rising to 3% in September, the highest since January but below forecasts of 3.1%, while core inflation eased to 3% from 3.1%, signaling moderating price pressures despite Trump's trade war.
- Still, bullion is set to snap a nine-week winning streak, having fallen over 5% earlier in the week, its sharpest intraday drop in five years, after repeated record highs triggered heavy selling. Despite the pullback, gold remains up about 55% year-to-date, supported by lingering trade tensions and geopolitical risks, including new US sanctions on Russia and anticipation of next week's Trump–Xi trade talks.

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