

WEEKLY FINANCIAL MARKET REVIEW

22nd – 26th September 2025

NIGERIA ECONOMIC DASHBOARD

Current

Previous

	Current	Previous	
01 Brent crude (\$/pb)	\$70.02	\$66.75	▲
02 NAFEM Rate (N/\$)	\$1,480.00	\$1,488.00	▼
03 Inflation	20.12%	21.88%	▼
04 GDP growth	4.23%	3.13%	▲
05 MPR	27.00%	27.50%	▼
06 NGX cap (N'trn)	89.96	89.74	▲
07 External Debt size (\$'bn)	45.98	45.78	▲
08 Ext. reserves (\$'bn)	42.22	41.99	▲
09 Unemployment	4.30%	5.30%	▼

GLOBAL ECONOMY & MARKETS



US: Economy records stronger growth as inflation remains contained

- The U.S economy performed higher than projected in Q2 2025, with GDP growth revised upward to an annualized 3.8% from 3.3% in the second estimate, marking the fastest expansion since Q3 2023. The improvement was largely driven by a significant upward revision in consumer spending, as personal consumption expenditures (PCE) climbed 2.5% compared to the earlier 1.6% estimate, supported by a sharp rebound in services (2.6% vs 1.2%) and goods spending stayed solid at 2.2%. Fixed investment also exceeded earlier estimates, rising 4.4% as businesses ramped up spending on equipment (8.5%) and intellectual property (15%), while the decline in structures was revised to a smaller contraction (-7.5%). Residential investment, however, remained a weak spot, with a steeper fall of 5.1%. Government spending contracted marginally at -0.1%, but trade weighed more heavily on growth as exports dropped 1.8% and imports plunged by 29.3%. Inventories also detracted further, taking off 3.44% off growth.
- Meanwhile, inflation pressures appeared contained, with the Fed's preferred gauge as the core PCE price index held steady at 0.2% month-on-month in August, leaving the annual rate at 2.9%, broadly consistent with market expectations as underlying price pressures continue to moderate.

Europe: Germany's consumer and business sentiment weaken as growth outlook dims

- Germany's economic sentiment has shown signs of decline as both households and firms signaled rising caution. The GfK Consumer Climate Indicator improved modestly to -22.3 from -23.5, beating expectations, underpinned by stronger income expectations (15.1 vs. 4.1). However, other measures were weakened as economic outlook fell for the third straight month (-1.4 vs. 2.7), willingness to buy weakened further (-11.6 vs. -10.1), and saving intentions ticked higher (16.1 vs. 15.8), reflecting concerns over a softer labor market and lingering inflation risks.
- At the same time, the Ifo Business Climate Index slipped slightly to 87.7 in September from 88.9 in August, the lowest since May and the biggest monthly drop in over a year. Firms grew more pessimistic about both current conditions (85.7 vs. 86.4) and expectations (89.7 vs. 91.4), with sentiments deteriorating across manufacturing, services, and trade, though construction saw a slight improvement. These outcomes highlight a growing uncertainty over trade tensions and stagnant growth, both standing as threats to the German economy.

Asia: Japan's economy shows mixed PMI signals

- Japan's factory sector faced renewed strain in September 2025, with the S&P Global Manufacturing PMI falling to 48.4 from 49.7 in August, falling below the forecast of 50.2. The reading marked the steepest contraction since March and the 14th decline in the past 15 months, as output and new orders weakened sharply. Firms reported cautious inventory strategies and persistent challenges in securing demand, with foreign sales also slipping further. Rising labour, raw material, and fuel costs added pressure, forcing manufacturers to continue raising output prices despite softening activity. In contrast, the services sector held firmer ground, though momentum slowed.
- The Services PMI edged down to 53.0 from 53.1, it's lowest since June but still signalling expansion for a sixth straight month. New orders remained resilient, while employment grew modestly, offsetting weaker overseas demand. Cost burdens persisted, with service providers raising output prices, yet business confidence improved slightly. Together, the data suggest Japan's economy remains reliant on domestic services strength to cushion manufacturing headwinds, underscoring uneven recovery dynamics.

Africa: South African Producer Price Inflation climbs to one-year high

- South Africa's producer price inflation rose for the third consecutive month in August 2025, hitting a one-year high of 2.1% from 1.5% in July. The increase was largely driven by higher food, beverages, and tobacco prices (4.3% vs. 3.9%), with notable surges in meat, fish, fruit, vegetables, and edible oils (11% vs. 10.4%). Additional pressure came from furniture and other manufacturing (8.3%), non-metallic mineral products (6.3%), and transport equipment (1.6%). Metals, machinery, and computing equipment also saw a sharp rise (1.1% vs. 0.1%). Meanwhile, declines in coke, petroleum, chemicals, and plastics (-1%), as well as paper (-0.5%) and electrical machinery (-1%), offset some of the gains.
- On a monthly basis, producer prices rose 0.3% in August, following a 0.5% increase in July. While the moderation in month-on-month growth points to easing momentum, the broader upward trend highlights sustained cost pressures in the supply chain. This could impact consumer prices, raising concerns for inflation management. With food costs remaining the primary driver, challenges in stabilizing input costs amid a fragile economic backdrop are imminent.

US Market

- For the week, the major U.S. indexes closed in losses; the S&P 500 was down by 0.31% to close at 6,643.70, the blue-chip Dow Jones Industrial Average was down by 0.15% to close at 46,247.29, while the tech-heavy Nasdaq Composite fell by 0.65% to close the week at 22,484.07.
- August's PCE index, the Fed's preferred inflation gauge, showed core inflation at 2.9% year-over-year, supporting expectations for rate cuts in upcoming FED meetings. At the same time, fresh tariffs on pharmaceuticals, heavy trucks, and furniture introduced by President Trump added uncertainty, alongside concerns over a potential government shutdown.
- Investors also took in the latest comments from Fed officials. Richmond Fed Bank President Thomas Barkin, in an interview with Bloomberg Television, said he had very low confidence in inflation forecasts, as tariffs continue to impact the economy. However, Fed Vice Chair Michelle Bowman cited recent labour market data and said it was time "to act decisively and proactively to address decreasing labour market dynamism and emerging signs of fragility." Investors are anxious to see the September U.S. employment report, due next Friday.

European Market

- European stock rallied with investors reacting to key U.S. inflation data and news regarding President Donald Trump reopening tariff uncertainties.
- On a week-on-week basis, the U.K.'s FTSE 100 gained 0.74% to settle at 9,284.83. Germany's DAX rose by 0.42% to close at 23,739.47, France's CAC 40 grew by 0.22% to close at 7,870.68 and the pan-European Stoxx 600 index also closed in the green by 0.07% to 554.52.

Asian Market

- Most Asian stocks dipped with pharmaceutical stocks leading losses after U.S. President Donald Trump imposed steep import tariffs on the sector, while declines in technology shares also weighed. Japanese stocks were outliers, rising marginally as a soft consumer inflation print fuelled speculation that the Bank of Japan will not raise interest rates soon.
- Hong Kong's Hang Seng Index declined by 1.57% and closed at 26,128.20, the Kospi index was down by 1.72% to close at 3,386.05. However, Japan's Nikkei 225 gained 0.69% to settle at 45,354.99, the Topix also rose by 1.25% to close at 3,187.02 and Mainland China's CSI 300 index increased by 1.07% to settle at 4,550.05.

DOMESTIC ECONOMY & MARKETS



Nigeria's economy expands by 4.23% in Q2 2025

- Nigeria's real Gross Domestic Product (GDP) grew by 2.23% (year-on-year) in the second quarter of 2025, maintaining the growth momentum from the previous quarter. This is according to the latest GDP report published by the National Bureau of Statistics. Data from the report revealed that significant improvement was recorded in quarter 2 of 2025, compared to 3.48% recorded in the second quarter of 2024. The report further shows that aggregate GDP at basic prices stood at N100.73 trillion in nominal terms, compared with N84.48 trillion in Q2 2024, representing a nominal growth of 19.23% year-on-year.
- The oil sector recorded a rebound, as it grew by 20.64% compared to 10.08% in same period of 2024. This brought the oil sector's overall contribution to the GDP to 4.05% in Q2 2025, higher than 3.5% in Q2 2024. The growth in the oil sector can be attributed to increase in oil output, considering average crude oil production grew to 1.68 million barrel per day (mbpd), from 1.41 mbpd in Q2 2024.
- The non-oil sector continues to dominate economic output, despite the rebound recorded in the oil sector. In real terms, the sector grew by 3.64% in contrast to 3.26% (year-on-year) in Q2 2024, and 3.19% (quarter-on-quarter) in Q1 2025. Overall, the non-oil sector contributed 95.95% to the GDP in Q2 2025. The expansion of the non-oil sector was largely driven by agriculture, telecommunications, real estate, financial institutions, trade, construction, electricity, gas, steam and air conditioning supply.

CBN lowers Monetary Policy Rate (MPR) to 27%

- At the 302nd Monetary Policy Committee (MPC) meeting of the Central Bank of Nigeria (CBN) held on 22nd and 23rd of September 2025, the committee reduced the Monetary Policy Rate (MPR) by 50 basis points, lowering it from 27.5% to 27%. Additionally, the asymmetric corridor around the MPR was adjusted to +250bps/-250bps, the cash reserve ratio (CRR) for commercial banks was also reviewed upward to 50% while the CRR for merchant banks was maintained at 16%.
- Notably, the committee announced the introduction of 75% CRR on non-Treasury Single Account (TSA) public sector deposits to constrain liquidity around government related inflows in the system. This move is a shift from the committee's hold stance in the three prior meetings held this year which was aimed at curbing inflationary pressures and stabilizing the Naira while also evaluating the impact of earlier policy actions, rebased inflation data, and the overall state of macroeconomy.
- The unanimous decision of the MPC to cut interest rate was made on the back of 5-month disinflationary trend, economic expansion as Q2 GDP, robust external reserve and currency stability.

Nigeria's revenue hits N3.65 trillion in September 2025, up 411% – FIRS

- According to an announcement by the Executive Chairman of the Federal Inland Revenue Service (FIRS) Dr. Zacch Adedeji, Nigeria's federal revenue surged to N3.65 trillion in September 2025, highlighting a significant increase of 411% from the N711 billion recorded in May 2023. The growth in revenue was attributed to fiscal reforms and enhanced compliance mechanisms. In the review period, oil revenue posted significant progress, rising from N96 billion to N644 billion. Non-oil revenue has also grown from N151 billion to N1.06 trillion in the same period, highlighting the economy's gradual shift towards revenue diversification. Year to date, the FIRS has collected a total of N20.62 trillion in tax revenue, indicating a 40.8% increase in contrast to the same period in 2024.
- Looking ahead, the chairman highlighted that the reforms around personal and company income tax scheduled to take effect in January 2026 will further expand the country's revenue base and enhance fiscal resilience despite global economic shifts.

Money Market

- Liquidity within the system maintained its positive momentum, reaching record highs for most trading sessions during the week. The surge in liquidity levels was bolstered by OMO and primary market maturities, which injected additional inflows into the system. Banks consequently parked excess cash with the CBN. During the week, the Standing Deposit Facility (SDF) recorded the highest utilization level for the year, with ₦3.73 trillion recorded on the final trading day of the week. Liquidity within the system closed the week, peaking at year-to-date high of ₦4.02 trillion, significantly higher than ₦1.67 trillion, recorded in the previous week, highlighting the heightened liquidity level in the system. In reaction to market happenings, money market rates slowed over the week. Consequently, Open Buy Back (OBB) rate dipped by 200 basis point to settle at 24.50%, in the same vein, the Overnight (O/N) also eased by 207 basis point and settled at 24.88% for the week.
- In the Treasury Bills secondary market, the bulls took over for the second straight week. The price rally experienced reflects improved sentiments in the bills market. At the end of the week, the average benchmark yield closed lower than 18.51% recorded in the prior week, to settle at 17.94% (-56.58 bps) for the week.
- Bullish sentiments dominated the OMO secondary market, as yields recorded a downward trend for most trading sessions of the week. Consequently, the benchmark yield closed at 21.48% (-283.88 bps) from 21.84%.

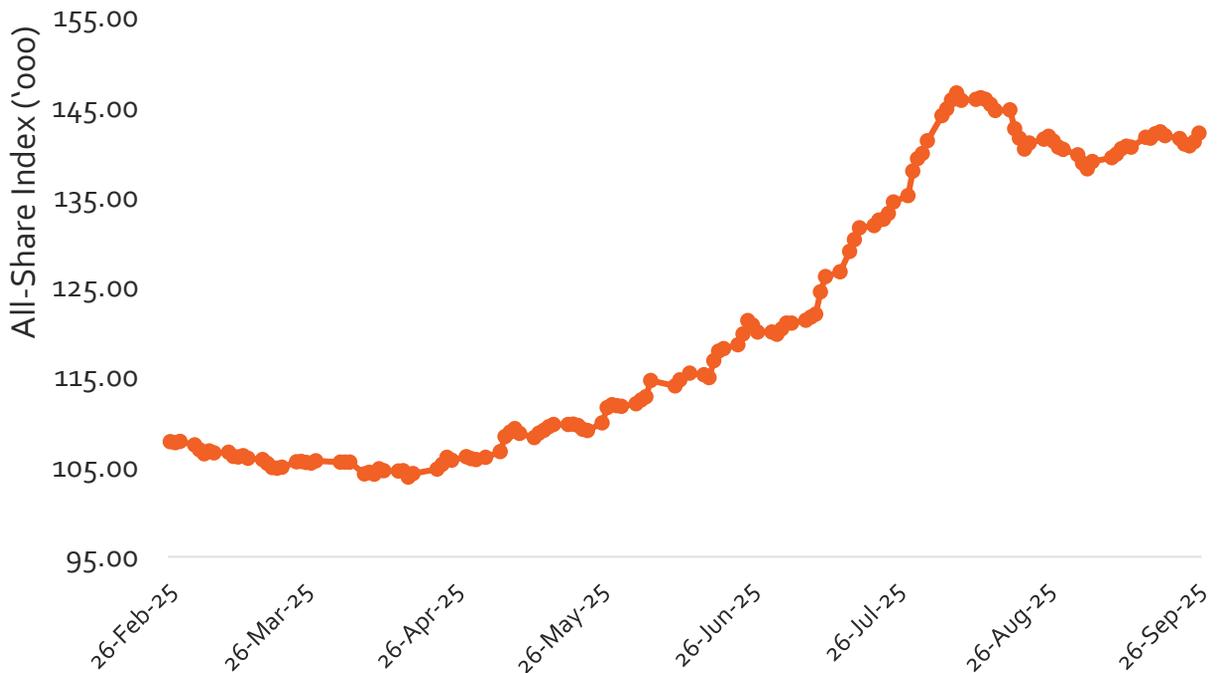
Fixed Income Market

- The secondary bond market recorded buy trends for the week, maintaining bullish momentum from the prior week, reflecting investors' continued interest and confidence in the market. The average benchmark yield closed at 16.40% (-6.68bps) compared to 16.40% recorded in the previous week. In terms of activity, the mid segment of the curve recorded higher buying pressures. Specifically, short-term bonds closed at 17.03% (-1.50 bps), while mid-term instruments closed at 16.50% (-12.78bps) and long-term instruments closed at 15.85% (-1.00 bps).

The Equities Market

- The NGX All-Share Index and Market Capitalization appreciated by 0.20% and 0.24% to close the week at 142,133.03 and N89.960 trillion respectively.
- Thirty-two (32) equities appreciated in price during the week, lower than forty (40) equities in the previous week. Fifty-one (51) equities depreciated in price, higher than forty-one (41) equities in the previous week, while sixty-four (64) equities remained unchanged, lower than sixty-six (66) recorded in the previous week.
- A total turnover of 7.684 billion shares worth N494.126 billion in 116,645 deals was traded this week by investors on the floor of the Exchange, in contrast to a total of 2.735 billion shares valued at N85.197 billion that exchanged hands last week in 127,284 deals.
- Sectoral indices under coverage posted mixed performance for the week. Industrial Goods (+1.33%) led the gainers, followed by Consumer Goods (+1.15%), and Banking (+1.19%). Oil and Gas (-1.62%), and Insurance (-0.91%) were the laggards for the week.
- THOMASWY (+22.68%), NSLTECH (+21.33%), and MECURE (+20.83%) were the top gainers for the week. On the flip side, WEMA (12.41%), FIDELITY (-11.08%), and ETERNA (-10.00%) were among the top losers for the week.

NGX All Share Index - YTD



Source: NGX, Norrenberger Research

ISLAMIC FINANCE



Islamic Treasury sukuk auction for September 2025 attracts bids worth AED 5.1 billion

- In September 2025, the UAE Ministry of Finance (MoF) and the Central Bank of the UAE (CBUAE) conducted their Islamic Treasury Sukuk (T-Sukuk) auction as part of their intention to issue Islamic sovereign debt instruments priced in dirhams this year.
- With two tranches maturing in August 2028 and May 2030, the auction raised a total of AED 1.1 billion. Bids reached AED 5.1 billion, indicating high investor demand and oversubscription ratio of about 4.6 times.
- For the 2028 tranche, yields were 3.64%, while for the 2030 tranche, they were 3.72%. To demonstrate strong investor confidence and competitive pricing, these rates were set at a narrow spread of up to 5 basis points above comparable US Treasury yields at the time of issuance.
- The UAE Treasury Islamic Sukuk Program allows the sukuk to be listed on Nasdaq Dubai, which facilitates secondary market trading and increases market liquidity. Additionally, the issuance advances the UAE's larger economic and financial policies, supports the dirham yield curve and fortifies the debt capital market.

NGX Lotus Islamic Index losses 0.52%

- The NGX Lotus Islamic Index posted a notable weekly loss of 0.52%, having opened at 11,792.02 points and closed at 11,731.06 points. The negative performance was primarily driven by significant losses in key constituents, notably ARADDEL (-0.05%), MTNN (-0.03%), JAIZBANK (-0.02%) and NAHCO (-0.01%).

Sukuk trading report for the week

- A total of 17 deals were executed in the sukuk market via the floor of the exchange this week, in comparison to the 14 deals that were reported last week. A total of 70,696 units were traded, with a total value of N69.91 million, in contrast to the 29,597 units valued at N30.34 million transacted last week.
- The FGSUK2033S6 and FGSUK2027S3 emerged as the most traded sukuks, both having 4 deals executed, a total volume of 56,498 units traded, and a total value of N58.12 million.

CURRENCY & ENERGY MARKETS



Currency Market

	26-Sept-25	19-Sept-25	W-o-W%
NAFEM (N/\$)	1,480.00	1,488.00	+0.54%
Parallel Market (N/\$)	1,506.00	1,520.00	+0.93%

- The naira posted its best weekly performance in nine months, as the official rate appreciated by 0.54% to ₦1,480 on September 26th, from ₦1,488 the previous week. The parallel market also mirrored this upward trend, with the naira strengthening by 0.93% to ₦1,506/\$1 compared to ₦1,520/\$1 the week before.
- The consistent gains across the markets signals renewed confidence in the foreign exchange market and improved stability in the foreign exchange landscape. This rebound was driven by improved dollar supply and moderating demand pressures, creating more balanced market conditions. Further support came from the country's external reserves as it rose to \$42.2 billion, up from \$41.9 billion the previous week.
- Overall, the currency's rebound reflects a cautious rebalancing in the FX market, with stronger reserves and easing demand pressures creating an avenue for short-term stability.

Commodities & Energy Market

Items	Gold (\$/t.oz)	Silver (\$/t.oz)	Coal (\$/T)	Cocoa (\$/T)	Soybeans (\$/Bu)
Weekly Performance (%)	+2.82%	+8.62%	+2.08%	-3.73%	-1.23%

Chappal's \$860 million deal with TotalEnergies halted by FG

- The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has withdrawn its earlier approval for French oil giant TotalEnergies to sell its minority stake in Shell Petroleum Development Company (SDPC) joint venture, in a setback to the company's plan to shed its onshore ageing assets and pay down debt. This is coming barely 14 months after TotalEnergies had announced that it had agreed to sell its 10% stake in SPDC to Mauritius-based Chappal Energies, with ministerial approval granted in October 2024, subject to strict financial conditions.
- The Spokesperson for NUPRC, Eniola Akinkuoto, on Tuesday, September 23, said the approval was withdrawn because the two sides have been unable to meet the financial commitments required to complete the transaction. The collapsed deal leaves Total with the burden of its stake in a business that has struggled with hundreds of oil spills as a result of theft, sabotage and operational issues that led to costly repairs.

Higher oil production marginally cuts non-oil share of Nigeria's GDP to 95.95%

- Nigeria's non-oil economy, long regarded as the anchor of growth, saw its dominance slightly eroded in the second quarter of 2025 as oil output rebounded strongly. According to the latest Gross Domestic Product report for the second quarter of 2025 released by the National Bureau of Statistics (NBS), the non-oil sector accounted for 95.95% of real GDP in Q2 2025, down from 96.49% in the same period of 2024 and 96.03% in Q1 2025.
- While the change appears marginal, it is significant in the context of Nigeria's growth structure. The oil sector's share rose as crude production improved, showing how oil performance can still shift the balance of the economy despite years of diversification efforts.



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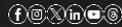
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