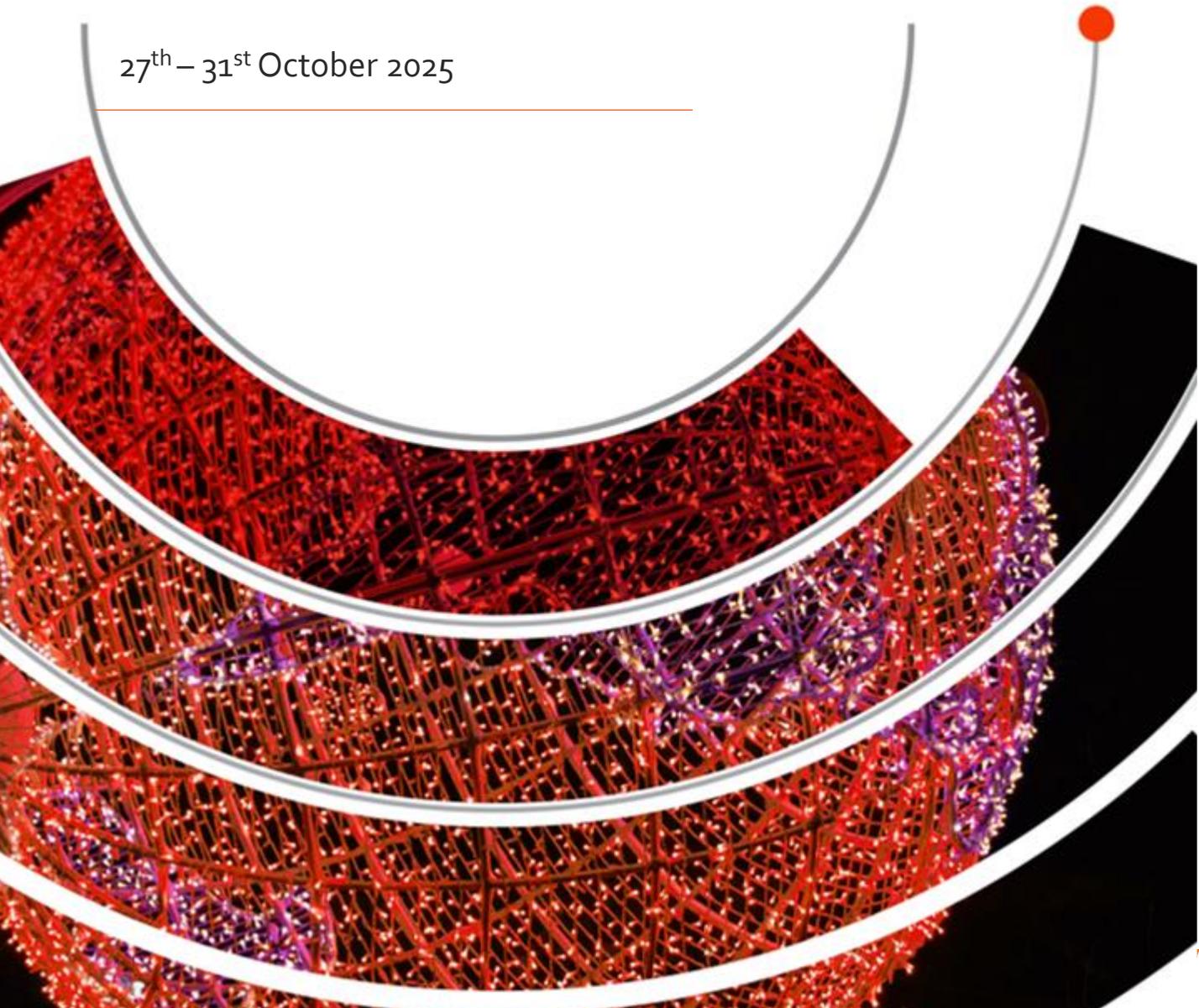


WEEKLY FINANCIAL MARKET REVIEW

27th – 31st October 2025



NIGERIA ECONOMIC DASHBOARD

Current

Previous

	Current	Previous	
01 Brent crude (\$/pb)	\$64.61	\$65.96	▼
02 NAFEM Rate (N/\$)	\$1,427.50	\$1,455.00	▼
03 Inflation	18.02%	20.12%	▼
04 GDP growth	4.23%	3.13%	▲
05 MPR	27.00%	27.50%	▼
06 NGX cap (N'trn)	97.83	98.79	▼
07 External Debt size (\$'bn)	46.98	45.98	▲
08 Ext. reserves (\$'bn)	43.17	42.87	▲
09 Unemployment	4.30%	5.30%	▼

GLOBAL ECONOMY & MARKETS



US: Fed cuts rates amid growing economic uncertainty

- The U.S. Federal Reserve reduced its benchmark interest rate by 25bps to a range of 3.75%–4.00% at its October 2025 meeting, marking a second straight cut, bringing borrowing costs to their lowest level since 2022. The move, widely expected by markets, reflects the Fed's growing caution amid signs of cooling employment and lingering inflationary pressures. Though most policymakers supported the decision, Governor Miran favored a steeper 50bps cut, and Kansas City Fed President Schmid preferred to hold rates steady. In his post-meeting briefing, Chair Jerome Powell stressed that another rate cut in December is not certain, emphasizing that a data-dependent approach will be followed going forward.
- However, market players still anticipate one more 25bps reduction by year-end, consistent with earlier Fed projections. The central bank also announced it would conclude the drawdown of its securities holdings on December 1, signaling a shift toward a more supportive monetary stance aimed at balancing growth concerns with inflation management.

Europe: ECB holds rates steady amid signs of stability in the Eurozone

- The European Central Bank (ECB) held interest rates steady for the third consecutive meeting in October, reflecting confidence in the eurozone's underlying economic strength even as global uncertainties persist. The main refinancing rate remained at 2.15%, while the deposit facility rate stayed at 2.0%. Policymakers noted that inflation continues to hover near the Bank's 2% medium-term target, suggesting that price pressures are easing after a prolonged period of volatility.
- The ECB emphasized that the region's economy has continued to grow modestly despite headwinds from global trade disputes and geopolitical tensions, supported by a resilient labour market, solid household and corporate balance sheets, and the lagged effects of previous rate cuts. Still, the Bank acknowledged that risks to the outlook remain, particularly from slowing global demand and ongoing supply chain adjustments. For now, the ECB appears comfortable with its observatory stance, reaffirming its commitment to a data-driven approach as it manages inflation with the need to sustain economic growth across the euro area.

Asia: Japan's labour market remains stable amid slight rise in unemployment

- Japan's unemployment rate held steady at 2.6% in September 2025, unchanged from the previous month but slightly above market expectations of 2.5%, marking the highest level since July 2024. The number of unemployed persons rose by 20,000 to a 14-month high of 1.81 million, even as overall employment increased by 24,000 to 68.34 million, reaching its highest level in four months. The labour force expanded by 250,000 to 70.14 million, reflecting growing workforce participation, while the number of people outside the labour force declined by 240,000 to 39.46 million.
- On a non-seasonally adjusted basis, the labour force participation rate climbed to 64.2%, its strongest in three months and up from 63.5% a year earlier, signaling improving engagement in the job market. However, the jobs-to-applicants ratio held steady at 1.20 for the second consecutive month, the lowest level since January 2022, indicating that while more people are seeking work, job openings have not expanded at the same pace. Overall, Japan's labour market remains resilient but shows mild signs of softening, as rising labour force participation offsets modest gains in job creation.

Africa: Kenya's inflation holds steady in October

- Kenya's inflation rate remained unchanged at 4.6% in October 2025, its highest level since June last year but still comfortably below the 5% midpoint of the Central Bank of Kenya's (CBK) target range for the 17th consecutive month. This reflects a continued balance in price stability even as global energy costs and currency fluctuations persist. The steady posting was supported by weak domestic demand and stable food and fuel prices. Core inflation, which excludes volatile items such as food and energy, eased to 2.7% from 2.9% in September, an encouraging sign that underlying inflationary pressures are softening.
- On a monthly basis, consumer prices rose by 0.2%, mirroring September's increase. Economists note that this stability provides the CBK with policy flexibility, as inflation remains well within its target range. However, they caution that external risks, such as potential increases in global oil prices or currency volatility, could test the current stability in the months ahead.

US Market

- U.S. stocks closed in the green for the week. The month of October, which has experienced some of the largest one-day losses in the history of stock market, saw the S&P 500 climb 2.3%. The Nasdaq jumped 4.7%, and the 30-stock Dow advanced 2.5%. The Dow posted its sixth positive month in a row for the first time since 2018.
- For the week, The S&P 500 was up by 0.71% to close at 6,840.19, the blue-chip Dow Jones Industrial Average was up by 0.75% to close at 47,562.88, while the tech-heavy Nasdaq Composite rose by 2.24% to close the week 23,724.96.
- Amazon shares rallied 9.6% after the e-commerce giant said its cloud computing unit's revenue increased 20% in the third quarter, exceeding Wall Street's estimates. The company's CEO, Andy Jassy, said that AWS is "growing at a pace we haven't seen since 2022" and that AI and core infrastructure are experiencing "strong" demand.
- Global markets were also assessing the in-person meeting between U.S. President Donald Trump and Chinese President Xi Jinping in Asia on Thursday. Trump said he had reached a one-year agreement with Xi on rare earths and other critical minerals, and that Washington will cut fentanyl-related tariffs on Beijing to 10% after their meeting in South Korea. President Xi is next expected to meet Canadian, Japanese and Thai leaders.
- The greenback has been boosted by optimism over the economic outlook even as the labor market weakens, while Fed policymakers remain concerned about inflation. Fed Chair Jerome Powell said on Wednesday that a policy divide within the U.S. central bank and a lack of federal government data may put another interest rate cut out of reach this year.

European Market

- European stocks closed mixed as investors reacted to an expected decline in euro zone inflation and a swathe of earnings this week.
- On a week-on-week basis, the U.K.'s FTSE 100 gained 0.74% to settle at 9,717.25, Germany's DAX fell by -1.16% to close at 23,958.30, France's CAC 40 lost -1.27% to close at 8,121.07 and the pan-European Stoxx 600 index closed lower by -0.67% to 571.9.
- Inflation in Europe is expected to come in at 2.1% in October, down from 2.2% the month prior, according to a flash estimate from the European Union's data office Eurostat. Services is tipped to have the highest rate, at 3.4%. Energy, in comparison, is expected at -1%. The Euro zone economy grew a better-than-expected 0.2% in the third quarter, narrowly beating estimates of 0.1%, according to flash data from Eurostat on Thursday. The European Central Bank, meanwhile, held its key deposit facility rate at 2% for the third consecutive time, having last cut rates in June.

Asian Market

- Japan stocks led gains in Asia on Friday as investors welcomed a truce between Washington and Beijing, following a meeting between President Donald Trump and his Chinese counterpart Xi Jinping. Hong Kong's Hang Seng Index fell by -0.97% and closed at 25,906.65, the Kospi index was up by 4.21% to close at 4,107.50 and Japan's Nikkei 225 gained 6.31% to settle at 52,411.34. The Topix rose by 1.91% to close at 3,331.83.
- The Japanese yen was heading for a monthly loss against the U.S. dollar on Friday after the Bank of Japan disappointed traders hoping for a more hawkish stance on future rate hikes, while the Federal Reserve dampened expectations for a December rate cut.
- Core inflation in Tokyo also accelerated in October and stayed above the central bank's 2% target, data showed on Friday.

DOMESTIC ECONOMY & MARKETS



Credit to private sector falls to N72.5 trillion in September

- In September 2025, credit to Nigeria's private sector fell to ₦72.5 trillion from ₦75.9 trillion in August, marking the sixth monthly decline of the year despite the Central Bank of Nigeria's (CBN) rate cut to 27%. This suggests that the recent policy easing has yet to translate into stronger credit expansion or improved lending activity within the economy.
- According to the data, credit to the private sector peaked at N78.1 trillion in April 2025. However, the downward trend began earlier in the year, with total private sector credit dropping from N77.3 trillion in January to N76.3 trillion in February 2025, signalling the start of a gradual decline that has persisted in subsequent months. The downward trend persisted in March, with private sector credit falling further to N75.9 trillion. Although there was a brief rebound in April to N78.1 trillion, the recovery proved short-lived as credit levels declined again in May and June 2025. The CBN did not release data for July 2025.
- The repeated monthly declines in 2025 raise concerns over potential liquidity constraints, reduced lending appetite by banks, or waning credit demand from the private sector amid tight economic conditions.
- While credit to the private sector dropped, credit to the government increased to N24.15 trillion in September, up from N22.95 trillion in August — a jump of over N1.2 trillion within one month. This reflects the government's continued dependence on domestic borrowing to finance budgetary shortfalls and support public sector obligations amid weak revenue performance.

FIRS imposes 10% withholding tax on short-term investment interest

- The Federal Inland Revenue Service (FIRS) issued a directive mandating banks, stockbrokers and other financial institutions to deduct a 10% withholding tax on interest earned from short-term securities. This new rule applies to interest payments on treasury bills, corporate bonds, promissory notes, and bills of exchange.
- Withholding tax is an advance tax deducted at source from specific payments made to individuals or companies. The payer is responsible for remitting the tax directly to the relevant tax authority. This new directive marks a significant shift from previous policy where short term instruments were exempt from tax on interest earned to encourage investor participation.
- According to the circular released by FIRS, the tax will be deducted at the point of payment. While the directive affects a wide range of short-term instruments, interest earned on federal government bonds remains exempt from the levy. The FIRS further clarified that investors would receive tax credits for the amounts withheld unless the deduction is deemed a final tax.

Nigeria seeks fresh \$1 billion World Bank loan

- Nigeria has entered discussions with the World Bank for a new \$1 billion loan slated for Board consideration on December 16. The proposed facility under the Nigeria Actions for Investment and Jobs Acceleration (P512892) programme if approved will comprise \$500 million in International Development Association (IDA) credit and \$500 million in International Bank for Reconstruction and Development (IBRD) lending.
- The loan is aimed at supporting Nigeria's shift from short-term macroeconomic stabilisation to sustainable, private-sector-led growth. The loan will back reforms intended to expand access to credit and digital financial services, reduce costs for households and firms, boost productivity in agriculture value chains, and deepen capital markets, especially given Nigeria's private-sector credit-to-GDP ratio of only 21.3% in 2024.
- For the Nigerian economy and investors, this signals a clear policy push to unlock private investment, address structural bottlenecks and extend reform momentum. This operation is part of a broader World Bank FY26 package that includes three complementary projects—Fostering Inclusive Finance for MSMEs (FINCLUDE), Building Resilient Digital Infrastructure for Growth (BRIDGE), and Nigeria Sustainable Agricultural Value-Chains for Growth (AGROW). The three projects are focused on expanding access to finance, strengthening institutions, and mobilising private capital.

Money Market

- System liquidity moderated slightly over the week despite fresh inflows from primary market repayments. The Central Bank of Nigeria (CBN), through the Debt Management Office (DMO), conducted a bond auction that helped absorb part of the liquidity injection. Nonetheless, overall system liquidity remained robust, prompting banks to continue placing excess funds with the CBN via the Standing Deposit Facility (SDF). By the end of the week, system liquidity stood at ₦2.5 trillion, down from ₦3.1 trillion in the previous week, reflecting a gradual slowdown. Money market rates were largely stable, with the Open Buy Back (OBB) rate unchanged at 24.50%, while the Overnight (O/N) rate inched up by 3bps to close at 24.68%.
- The Treasury Bills secondary market traded mildly bearish in the review week as the average yield settled at 17.47%, gaining 8bps relative to 17.39% recorded in the previous week.
- Bearish sentiments trickled down to the OMO secondary market as average yield increased slightly by 5bps to close at 21.43%, in contrast to 21.38% recorded in the prior week.

Fixed Income Market

- At the FGN Bond Auction conducted on Monday, 27th October 2025, the DMO offered ₦260 billion worth of Bonds. The total bid received amounted to ₦1.06 trillion, translating to a bid-to-cover ratio of 4.1x. The eventual allocated volume was ₦313.8 billion. Compared to the last auction, the 17.95% FGN JUN 2032 printed lower closing at 15.85% (-35 bps), while the 17.945% FGN AUG 2030 closed at 15.83% (-17bps)
- In the secondary bond market, average yield extended its downward movement and eased slightly to 15.77% (-1.6bps) compared to last week's 15.76%. Specifically, instruments at the short end of the curve closed at 16.09% (+3bps), while mid-term instruments recorded 15.78% (+2bps). However, long-term instruments held steady at 15.56%, reflecting limited activity at the long end of the curve.

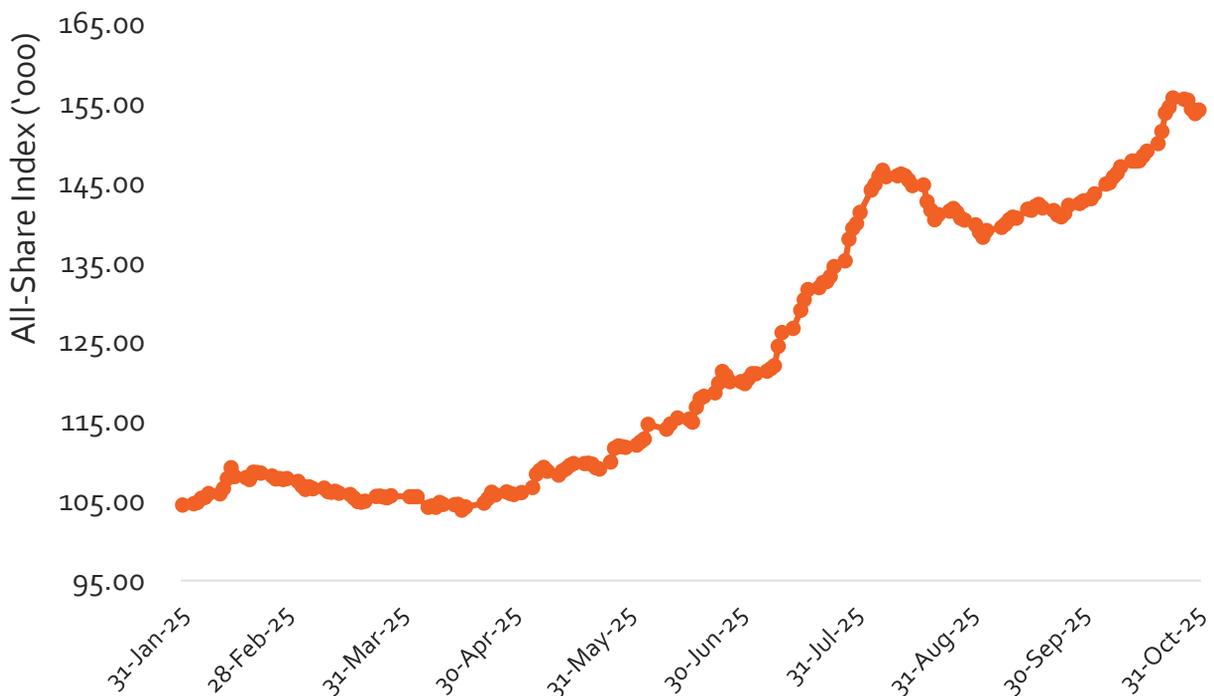
Eurobond Market

- The Nigerian Eurobond market experienced a continued rally throughout the week. This was partly driven by the U.S. Federal Reserve's decision to implement a 25bps rate cut, lowering rates to 3.75%–4.00%. This marked the Fed's second consecutive rate cut. Additionally, U.S. President Donald Trump and Chinese President Xi Jinping met in South Korea on Thursday, where they agreed to a one-year trade truce. The agreement included a reduction in U.S. tariffs on Chinese goods, a relaxation of Chinese export restrictions on rare earth materials, and the resumption of Chinese purchases d boosted market sentiment.
- The Norrenberger NSEI yield dipped on a week-on-week basis by 22bps, ending the week at 7.37%.

The Equities Market

- The Nigerian equities market after eight consecutive weeks of gains closed the review week with a decline. Precisely, the NGX All-Share Index and Market Capitalization depreciated by 0.98% to close the week at 154,126.46 and N97.829 trillion respectively.
- Market breadth was negative as twenty-nine (29) equities appreciated in price during the week, lower than forty-four (44) equities in the previous week. Seventy (70) equities depreciated in price, higher than forty-nine (49) equities in the previous week, while forty-seven (47) equities remained unchanged, lower than fifty-three (53) recorded in the previous week.
- A total turnover of 7.479 billion shares worth N145.429 billion in 159,487 deals was traded this week by investors on the floor of the Exchange, in contrast to a total of 3.695 billion shares valued at N129.889 billion that exchanged hands last week in 148,077 deals.
- Sectoral performance was broadly negative, Insurance (-3.47%), Consumer Goods (-2.73%), and Banking (-2.11%) all recorded negative performances. Industrial Goods (+1.03%) and Oil & Gas (+0.30%) were the only sectors that returned positive performance.
- On the price performance chart, ASOSAVINGS (+53.06%) topped the gainers list for the second consecutive week, with JBERGER (+13.28%) and OANDO (+11.87) trailing behind. On the losers list, OMATEK (-21.94%), JOHNHOLT (-16.92%) and CAVERTON (-16.15) were the highest decliners for the week.

NGX All Share Index - YTD



Source: NGX, Norrenberger Research

ISLAMIC FINANCE



IsDB Group and IDBG announce US\$1 billion financing for development projects in Suriname and Guyana

- The Islamic Development Bank (IsDB) Group and the Inter-American Development Bank Group (IDBG) have signed a Memorandum of Understanding (MoU), pledging at least US\$1 billion over the next five years to support development in Suriname and Guyana.
- The renewed collaboration will focus on advancing inclusive and sustainable development in both countries, with investments targeting key sectors such as transport, energy, urban development, education, rural development, health, and resilience.
- IsDB Group Chairman H.E. Dr. Muhammad Al Jasser said: "At the Islamic Development Bank Group, we are committed to empowering our member countries and fostering partnerships that advance sustainable development. This renewed engagement with the IDB and IDB Invest enables us to jointly deliver transformative projects that enhance livelihoods, strengthen resilience, and promote shared prosperity in Suriname and Guyana."
- IDB President Ilan Goldfajn said, "We are joining forces with the Islamic Development Bank to unlock new financing opportunities in Guyana and Suriname and also cooperation with other member countries, to build resilience, foster inclusive growth, and improve lives."

NGX Lotus Islamic Index declined by 0.74%

- The NGX Lotus Islamic Index posted a weekly loss of 0.74%, having opened at 13,819.80 points and closed at 13,718.07 points.

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 24 deals that were reported last week. A total of 13,515 units were traded, with a total value of N13.32 million, in contrast to the 336,046 units valued at N282.93 million transacted last week.
- For the third straight week, the FGSUK2027S3 emerged as the most traded sukuk, having 3 deals executed, a volume of 4,113 units traded and a value of N3.9 million.

CURRENCY & ENERGY MARKETS



Currency Market

	31-Oct-25	24-Oct-25	W-o-W%
NAFEM (N/\$)	1,427.50	1,455.50	+1.96%
Parallel Market (N/\$)	1,460.00	1,487.00	+1.85%

- At the Nigerian Autonomous Foreign Exchange Market (NAFEM) window, the naira appreciated by 1.96% to close stronger at ₦1,427.50/\$1 compared to ₦1,455.50/\$1 in the prior week. Similarly, in the parallel market, it gained 1.85% to ₦1,460/\$1 from ₦1,487/\$1. The local currency's upward streak was fueled by stronger dollar inflows, increased CBN interventions, and renewed investor confidence after Nigeria's removal from the FATF grey list.
- At the same time, Nigeria's external reserves rose to \$43.17 billion from \$42.8 billion the week prior, reflecting healthier inflows from oil revenues, diaspora remittances, and prudent CBN management. The combination of easing inflation, stable reserves, and sustained reforms is helping to rebuild market confidence and ease pressure on the currency. While challenges such as structural FX demand and global uncertainties remain, the continuous rally indicates that ongoing monetary and fiscal measures are yielding results.

Commodities & Energy Market

Items	Gold (\$/t.oz)	Silver (\$/t.oz)	Coal (\$/T)	Cocoa (\$/T)	Soybeans (\$/Bu)
Weekly Performance (%)	-2.70%	+0.28%	+4.51%	-2.99%	+5.31%

FG approves 15% import tariff on petrol and diesel

- President Bola Tinubu has consented to the implementation of a 15% ad-valorem import duty on petrol and diesel imported into Nigeria, in a move to protect domestic refineries and promote stability in the downstream oil sector. According to the government, this directive forms part of a new market-responsive import tariff framework. The main objective of the initiative is to operationalize crude transactions in local currency, strengthen local refining capacity, and ensure a stable, affordable supply of petroleum products across the country.
- The president in a directive ordered the Federal Inland Revenue Service (FIRS) and Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) to begin immediate enforcement of the tariff.

World Bank projects commodity prices to hit six-year low on oil surplus

- Global commodity prices are projected to fall to their lowest level in six years in 2026, marking the fourth consecutive year of decline. This is according to the World Bank Group's latest Commodity Markets Outlook. Prices are forecast to drop by 7% in both 2025 and 2026, driven by weak global economic growth, a growing oil surplus, and persistent policy uncertainty.
- Falling energy prices are helping to ease global inflation, while lower rice and wheat prices have helped make food more affordable in some developing countries. Despite the recent declines, however, commodity prices remain above pre-pandemic levels, with prices in 2025 and 2026 projected to be 23% and 14% higher, respectively, than in 2019.



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