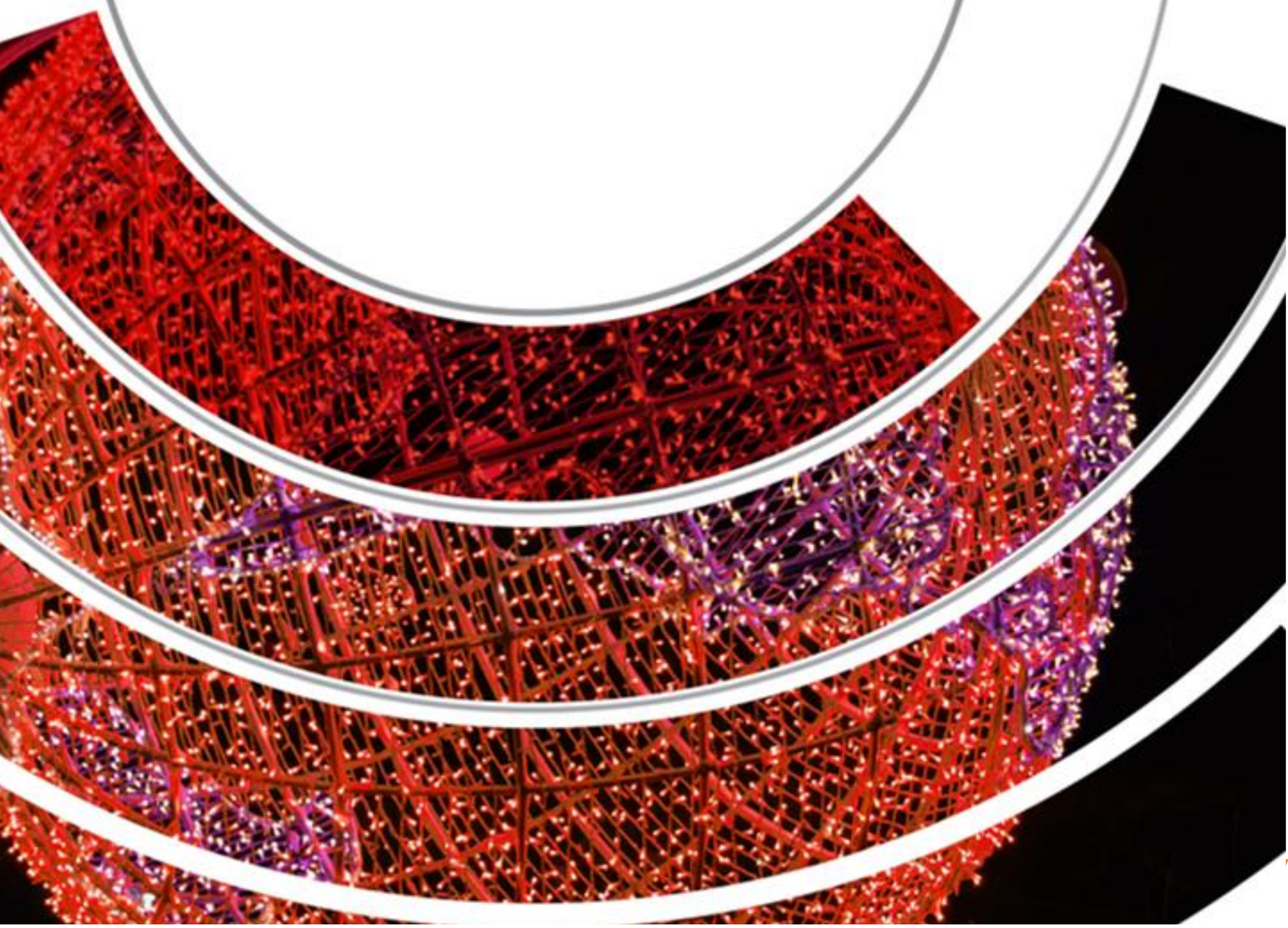
WEEKLY FINANCIAL MARKET REVIEW

29th December 2025 – 2nd January 2026



NIGERIA ECONOMIC DASHBOARD

		Current	Previous
01	Brent crude ($/pb)	$60.38	$61.18
02	NAFEM Rate (N/$)	$1,431.00	$1,451.00
03	Inflation	14.45%	16.05%
04	GDP growth	3.98%	4.23%
05	MPR	27.00%	27.50%
06	NGX cap (N'trn)	99.94	97.89
07	External Debt size ($'bn)	46.98	45.98
08	Ext. reserves ($'bn)	45.50	45.28
09	Unemployment	4.30%	5.30%

GLOBAL ECONOMY & MARKETS

US: Labour market remains resilient as claims decline

- US labor market showed signs of continued resilience as initial jobless claims fell by 16,000 to 199,000 in the week ending, well below market expectations of 220,000. Although claims tend to be volatile during the holiday season, this was the lowest reading since January, excluding the Thanksgiving-related dip, reinforcing signs of labor market tightness. Continuing claims also eased, declining to 1.89 million in the week ending from a downwardly revised 1.91 million, indicating fewer workers remaining on unemployment benefits.
- However, some pressure remains as initial unemployment claims by federal employees edged higher to 812 from 805 amid heightened attention on the federal government shutdown. Overall, continuing jobless claims fell to 1.866 million, the lowest level in three weeks, reflecting seasonal effects but also pointing to underlying labor market strength. In all, the US labor market appears to be stable even as short-term distortions from the festive period persist.

Europe: UK factory activity signals expansion

- UK manufacturing activity showed a modest encouraging improvement, with the S&P Global Manufacturing PMI rising to 50.6 in November from 50.2 in October. Although the final reading was revised down to its current standing, it still exceeded market expectations of 50.4 and marked a second consecutive month of expansion after consistent contractions through the previous moths. The increase in output was supported by broader gains across consumer, intermediate, and investment goods, alongside new orders expanding for the first time in 15 months signaling a gradual demand recovery.
- However, the sector continues to face cost pressures as manufacturing employment declined for the fourteenth consecutive month with firms citing higher labor costs linked to new National Insurance contributions. Notably, easing uncertainty following the Autumn Budget helped slow the pace of job losses to the softest level in the current trend. Also, both input and output inflation picked up, driven by rising wage bills and higher wholesale metal prices affecting electronics manufacturers highlighting persistent inflationary pressures even as activity stabilizes.

Asia: China's factory activity rebounds at the end of 2025

- China's factory activity unexpectedly returned to growth in December 2025, marking a sharp break from an extended period of contraction and offering a modest positive signal for the economy. Data from the National Bureau of Statistics showed the manufacturing Purchasing Managers' Index (PMI) rose to 50.1 in December, up from 49.2 in November and above the key 50 threshold. This was the first expansion recorded in factory activity in several months, driven largely by rising production and new orders as firms ramped up output ahead of the Lunar New Year and responded to seasonal demand.
- The rebound suggests that sentiment among manufacturers is improving with both supply and demand indicators strengthening late in the year. Production edged higher and new orders rose above the expansion mark, reflecting a broader uptick in business activity. However, analysts caution that the improvement may be fragile and partly temporary as underlying challenges such as sluggish global demand, structural headwinds like the prolonged property downturn, weak domestic consumption and industrial overcapacity remain continue to cloud the longer-term outlook.

Africa: Kenya's economy expands by 4.9%

- Kenya's economy expanded by 4.9% year-on-year in Q3 2025, falling slightly below the 5.0% pace recorded in the previous quarter. Agriculture, a pillar of the economy that contributes significantly to output, grew at a slower 3.2% this quarter compared with 4.4% recorded previously, highlighting a softening in the sector's performance and potential pressures from external and domestic factors such as weather variability and export dynamics. This moderation in agricultural expansion dragged the overall GDP growth further highlighting the sector's continued influence on broader economic performance. Despite this, Kenya's current standing remains strong by regional standards as other sectors such as services and industry continue to support output even as agriculture decelerates.
- The current trends suggest that while Kenya's economy continues to strengthen, addressing agricultural productivity and sector-specific challenges will be key in sustaining and accelerating growth in the coming period.

US Market

- Equities traded negative week on week. The S&P 500 closed slightly higher on Friday, the first trading day of 2026, as gains in semiconductor names kept the index afloat. Friday's gain marks a reversal from the first-day trading trend of the last few years. The S&P 500 finished lower on the first day of trading for each of the last three years.
- The S&P 500 lost -1.03%, ending the week at 6,858.48 points, the Dow Jones Industrial Average was down -0.67% to settle at 48,382.40 points, the tech focused Nasdaq Composite also lost -1.52% settling at 23,235.63 points, while the Russell 2000 index was also down by -1.03% ending the week at 2,508.22 points.
- Tech was the best trade of 2025, leading the broader market to sharp gain as investors continued to pile into AI names. The S&P 500 gained more than 16% last year, marking its third straight annual advance. The Nasdaq jumped more than 20% last year, and the 30-stock Dow advanced around 13%. The three benchmarks hit record highs last year.
- The U.S. dollar began 2026 stronger on Friday, snapping last year's slump against most currencies as investors look ahead to a critical week of economic data that could steer Federal Reserve policy and global markets. The rebound follows the sharpest annual decline since 2017 of more than 9%, driven by narrowing interest-rate gaps with other economies and persistent worries over U.S. fiscal health, a global trade war and Fed independence — risks that remain in play this year.
- This week's data deluge, capped by next Friday's payrolls report, is expected to offer clues on whether the Fed will cut rates further, with markets already pricing in two reductions versus one projected by a divided central bank.

European Market

- In the review week, European equities traded positive. Britain's FTSE 100 index on Friday briefly surpassed the symbolic 10,000 points marker for the first time, extending gains after a bumper 2025.
- U.K's FTSE rose by 0.82% to close at 9,951.14 points. Germany's DAX gained 0.82% to end the week at 24,539.34 points and France's CAC 40 was up 1.13% to 8,195.21 points. The pan-European Stoxx 600 gained 1.26% to 596.15 points.
- The FTSE 100 index, home to the U.K.'s most valuable blue-chip companies, ended the first trading day of the year 0.2% higher at 9,951, kicking off the year in positive territory. The index surpassed the 10,000 thresholds at around 8:30 a.m. London time, before paring gains.
- Looking at individual stocks, shares of Danish energy group Orsted ended the trading session 4.6% higher after the world's largest developer of offshore wind farms said it had challenged the U.S. government's suspension of the lease for its Revolution Wind joint venture and would seek a court injunction.
- The dollar index, which measures the greenback against a basket of currencies, rose 0.24% to 98.48, with the euro down 0.25% at $1.1716. Euro zone manufacturing activity fell in December to its weakest in nine months, a survey showed. The currency surged more than 13% last year, its biggest annual rise since 2017.
- Sterling weakened 0.18% to $1.3445 following a 7.7% increase in 2025, also its biggest yearly jump since 2017.

Asian Market

- South Korea's Kospi hit a new record Friday as Asia-Pacific markets kicked off the new year trading mixed. Some Asian markets were still closed for the holidays, including Japan and mainland China. Hong Kong's Hang Seng Index gained 2.01% to end the week at 26,338.48 points. China's mainland CSI lost -0.59% to settle at 4,629.94, Japan's Nikkei 225 fell -0.81% to 50,339.43, while the Kospi index rose by 4.36% to close the week at 4,309.63 points.
- Elsewhere, Singapore's economy expanded 5.7% year on year for the fourth quarter, driven mainly by strong manufacturing growth in the three months through December. The latest reading is faster than the revised 4.3% growth in the previous quarter. On Wednesday, Singapore Prime Minister Lawrence Wong announced in his New Year message that the country had clocked a stronger-than-expected 4.8% expansion for the full year of 2025.
- The Japanese yen weakened 0.16% against the greenback to 156.91 per dollar after rising less than 1% against the greenback in 2025. It remained close to a 10-month low of 157.89 touched in November that drew policymaker attention and raised expectations for a possible intervention by the Bank of Japan.
- The BOJ hiked interest rates twice last year but that did little to support the yen performance as investors appeared to be looking for a more aggressive pace. Markets are not pricing in more than a 50% chance of another BOJ rate hike until July, according to LSEG data.

DOMESTIC ECONOMY & MARKETS

Nigeria's current account surplus drops 41% in Q3 2025

- Nigeria recorded a current account surplus of $3.42 billion in Q3 2025, representing a 41.1% decline from the $5.81 billion surplus in Q2 2025 and below $5.78 billion recorded in Q3 2024. While the balance remained positive, the sharp contraction highlights growing pressures from rising external payments, despite improved export earnings.
- Export receipts rose to $15.24 billion, supported by higher crude oil earnings and a strong increase in refined petroleum product exports. However, this improvement was partly offset by a notable decline in gas exports and a modest dip in non-oil exports. At the same time, imports increased to $10.30 billion, driven mainly by higher non-oil imports, leading to a narrower goods trade surplus of $4.94 billion.
- Secondary income inflows, largely from diaspora remittances, remained stable at $5.50 billion, providing continued support to the current account. Nonetheless, the surplus was weighed down by widening deficits in the services and primary income accounts, reflecting higher payments for foreign services and increased repatriation of investment income by foreign investors.
- Overall, the moderation in the current account surplus underscores Nigeria's continued dependence on oil-related inflows and remittances, while highlighting the impact of rising import demand and income outflows on the country's external balance in Q3 2025.

Nigeria's FDI jumps to $720 million in Q3 2025

- Foreign direct investment into Nigeria demonstrated a strong rebound in the third quarter of 2025, marking one of the most notable increases in FDI inflows this year. According to data from the Central Bank of Nigeria (CBN), FDI surged to $720 million in Q3 2025, up sharply from approximately $90 million in Q2 2025, representing a 700 percent quarter-on-quarter increase. This quarter also saw a year-on-year rise, with the Q3 2025 figure exceeding the $570 million recorded in Q3 2024, indicating a 26.3% annual improvement in FDI inflows.
- The recovery in foreign direct investment reflects renewed investor confidence in Nigeria's economic environment after periods of subdued capital inflows. Both sources highlight that this rebound occurred amid broader improvements in external sector metrics, including a strengthened balance of payments position and rising external reserves. The increase in FDI contrasts with a decline in portfolio investment inflows in the same quarter, suggesting a potential shift in investor preference from short-term financial assets toward longer-term capital deployment in the Nigerian economy.
- While the Q3 2025 FDI figure represents a significant increase relative to the immediately preceding quarter, it remains modest compared to historical peaks and the country's broader investment potential. Continued policy reforms improved macroeconomic stability, and targeted efforts to deepen investor engagement are likely factors shaping current capital flows and may be critical to sustaining higher levels of direct investment going forward.

Nigeria's PMI rises to 57.6 points, highest expansion in 2025

- In December 2025, Nigeria's private sector recorded a marked acceleration in business activity, with the Composite Purchasing Managers' Index (PMI) climbing to 57.6 points from 56.4 in November, as reported by the Central Bank of Nigeria (CBN). This reading represents the strongest expansion in 2025 and extends the economy's growth trend, reinforcing that the private sector remained in robust expansionary territory at the close of the year.
- The improvement was broad-based, driven by stronger output and demand conditions. The output index rose to 60.0 points, while new orders increased to 58.7 points, reflecting heightened production and improved consumer demand. Employment and input supply conditions also strengthened, pointing to improving labour engagement and more efficient supply chains.
- At the sectoral level, all major segments recorded expansion. Agriculture posted the strongest performance with a PMI of 58.5 points, followed by industry at 57.0 points and services at 56.4 points. Overall, the December PMI reading highlights resilient private sector activity and improving business confidence at the close of 2025.

Money Market

- Market activity was limited to four trading sessions in the review week owing to the New Year celebrations. Over the week, liquidity within the system moderated slightly from N3.89 trillion to N3.36 trillion as cash injection from maturities was largely countered by the OMO auction. Banks continue to manage excess liquidity with the Central Bank via the Standing Deposit Facility (SDF), while the Standing Lending Facility recorded zero utilization.
- Money market rates remained flat for the week; the Open Buy Back (OBB) and the Overnight (O/N) rate closed flat at 22.50%, and 22.75% respectively.
- The treasury bill secondary market sustained bearish momentum from the previous week, albeit mild. As a result, the average yield settled at 17.68% (+6 bps), up from 17.62% recorded in the previous week.
- The CBN conducted an OMO auction on Tuesday December 30, 2025, with a total of N600 billion instruments offered; N300 billion for 168-day and N300 billion for the 210-day bill. Subscription levels reached N1.34 trillion, resulting in a bid to cover ratio of 2.2x. At the end of the auction, the apex bank allotted N1.27 trillion worth of bills at stop rates of 19.35% and 19.41% for 168-day and 210-day bill respectively.
- In the OMO secondary market, bullish sentiment resurfaced after two straight weeks of bearish movement. At the end of the week, the average yield settled at 21.19% (-61 bps) against 21.80% recorded last week.

Fixed Income Market

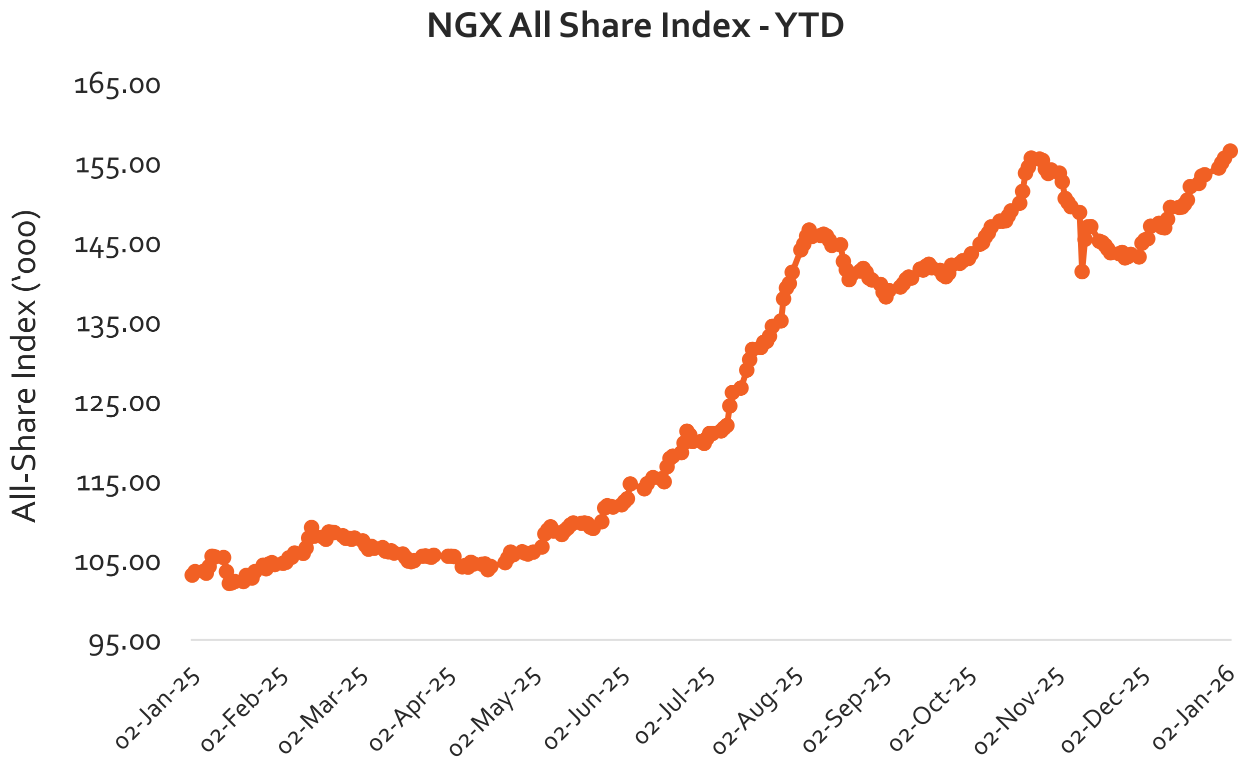
- The bonds secondary market maintained its bullish trend, making the third week of buy pressure. Consequently, the average benchmark yield dipped to 16.44% (-3 bps), relative to 16.47% from the prior week.
- In terms of classification by tenor, instrument on the short end closed at 16.75 (-1 bps), in same vein, mid and long dated instruments closed at 16.92% (-3 bps) and 15.52% (-4 bps) respectively.

Eurobond Market

- The Nigerian Eurobond market experienced a relatively quiet session with a slightly bearish trend, as the latest Federal Reserve meeting minutes revealed that some officials support keeping interest rates unchanged. The outlook also hints at possible rate cuts in 2026, given signs of a cooling labour market and ongoing inflation pressures. For now, the Fed is likely to maintain current rates, following a similar approach to its 2025 strategy.
- The Norrenberger NSEI yield ended the week at 7.05%.

The Equities Market

- The Nigerian equity market opened for four trading sessions during the week, following the Federal Government's declaration of Thursday, January 1, 2026, as a public holiday to mark the New Year celebration. Market sentiment remained positive throughout the week, driven by sustained investor interest across key sectors. The NGX All-Share Index (ASI) advanced by 1.92% week-on-week to close at 156,492.36 points, while market capitalization rose by 2.09% to ₦99.94 trillion, reflecting broad-based price appreciation and renewed buying interest in large- and mid-capitalization stocks.
- Market breadth improved notably during the week. A total of 73 equities recorded price gains, higher than the 44 gainers recorded in the previous week, while 23 equities declined, down from 30 previously. Meanwhile, 51 stocks closed flat, compared with 73 in the prior week, underscoring increased market activity.
- Trading activity strengthened significantly, as total market turnover rose to 7.82 billion shares valued at ₦134.47 billion, executed in 150,799 deals. This represents a substantial increase compared to the 2.88 billion shares worth ₦63.83 billion traded in 80,229 deals in the preceding week, suggesting heightened participation by both institutional and retail investors.
- A review of major sectoral indices showed broadly positive performance. Insurance (+5.93%) led the pack, recovering from prior week losses. Consumer Good (+3.44%), Banking (+2.96%), Oil and Gas (+1.16%) and Industrial Good (+0.82%) all posted positive returns for the week.
- On the price performance chart, AUSTINLAZ (+45.94%), ALEX (+45.57%), and EUNISELL (+43.26%) emerged as the top gainers for the week, driven largely by increased demand and price momentum. On the downside, ETRANZACT (-9.92%), FIRSTHOLDCO (-7.92%), and LIVINGTRUST (-7.61%) recorded the steepest declines, largely on profit-taking and sell-side pressure.



Source: NGX, Norrenberger Research

ISLAMIC FINANCE

Egypt to issue EGP 5 billion three-year sovereign sukuk amid shifting rate environment

- Egypt's Ministry of Finance is set to issue EGP 5 billion in three-year local sovereign sukuk through an auction scheduled for Monday, December 29, with settlement on Tuesday, December 30, according to data released by the Central Bank of Egypt. The issuance comes as the government assesses investor appetite in the wake of last week's interest rate cut, marking an important moment for pricing dynamics in the domestic debt market.
- The auction represents the first practical test of market conditions following the Central Bank of Egypt's decision to reduce interest rates by 100 basis points, a move expected to influence yields across government securities. While the sukuk is part of an ongoing issuance series with a previously indicated yield of around 21.224%, market participants anticipate that pricing will reflect the new rate environment, particularly after the overnight deposit rate was lowered to 20 percent.
- With this tranche, total funds raised under Egypt's sovereign sukuk programme will reach EGP 20 billion. The Ministry of Finance aims to build on growing investor interest to meet its target of issuing up to EGP 180 billion in sukuk before the end of the 2025/2026 fiscal year, as part of its broader strategy to diversify funding sources and deepen the local Islamic finance market.

ICD provides USD 20 million Islamic financing to support manufacturing expansion in Jordan

- The Islamic Corporation for the Development of the Private Sector (ICD), the private sector arm of the Islamic Development Bank (IsDB) Group, has extended a USD 20 million medium-term Islamic finance facility to Applied Plastic Industries Company (API), Jordan's leading manufacturer of non-woven fabrics. The financing will support capital expenditure for advanced Spunlace equipment, enabling API to establish a new production line and expand its manufacturing capacity.
- The investment will allow API to adopt cutting-edge Spunlace technology, improving production efficiency, enhancing product diversification, and strengthening its competitiveness in regional non-woven fabrics markets. The project supports the modernization of Jordan's manufacturing sector and aligns with the country's broader economic development objectives by promoting sustainable industrial growth and value-chain expansion.
- Commenting on the financing, Dr. Khalid Khalafalla, Acting Chief Executive Officer of ICD, said the facility reflects ICD's commitment to advancing private sector development through Shariah-compliant finance, supporting job creation and inclusive economic growth. Mr. Radwan Khattab, General Manager of API, welcomed the partnership, describing it as a transformational milestone that will expand production capacity, improve product quality, and create employment opportunities for Jordanian professionals. The project aligns with Jordan's national development priorities and supports key Sustainable Development Goals, including decent work, industrial innovation, and strategic partnerships.

NGX Lotus Index gains 2.39%

The NGX Lotus Index ended the week on a positive note, advancing by 2.39% to close at 13,648.95 points, up from 13,329.88 points in the prior week. The gain was driven by strong performances from BUAFOODS (+6.80%), BUACEMENT (+2.00%), MTNN (+1.39%), JAIZ (+0.89%), and WAPCO (+0.37%).

Sukuk trading report for the week

- On a week-on-week basis, the total turnover in the Sukuk market increased to close 34,560 units, valued at N36.03 million, which was done with a total of 14 deals.

- FGSUK2033S6 stood out as the mostly traded instrument, making up 43% of the total deals in this week Sukuk market.

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CURRENCY & ENERGY MARKETS

Currency Market

	02-Jan-26	24-Dec-25	W-o-W%
NAFEM (N/$)	1,431.00	1,451.00	+1.40%
Parallel Market (N/$)	1,474.00	1,475.00	+0.07%

- The naira recorded a positive week-on-week performance at the official market, reflecting continued stability after closing 2025 on a strong note. At the NAFEM window, the currency appreciated by 1.4% WoW, strengthening to ₦1,431/$ on 2 January 2026 from ₦1,451/$ on 24 December 2025. This movement suggests sustained FX support and improved market confidence following reforms that helped the naira achieve its first annual gain in 13 years by the end of 2025. Also, the parallel market remained largely stable, with the naira trading at ₦1,474/$, representing a marginal 0.07% WoW appreciation from ₦1,475/$.

Commodities & Energy Market

Items	Gold ($/t.oz)	Silver ($/t.oz)	Coal ($/T)	Cocoa ($/T)	Soybeans ($/Bu)
Weekly Performance (%)	-4.36%	-5.97%	-1.38%	-1.00%	-2.82%

The price of brent crude settle lower on Friday after biggest annual loss since 2020

- Oil prices settled lower on Friday on the first trading day of 2026 after registering their biggest annual loss since 2020, as investors weighed oversupply concerns against geopolitical risks, including the war in Ukraine and Venezuela exports. Brent crude futures closed 10 cents to $60.75 a barrel, while U.S. West Texas Intermediate crude eased 10 cents to $57.32.
- Russia and Ukraine traded allegations of attacks on civilians on New Year's Day despite talks overseen by U.S. President Donald Trump, aimed at ending the nearly four-year-old war. Kyiv has been intensifying strikes against Russian energy infrastructure, aiming to cut off Moscow's sources of financing for its military campaign. The Trump administration ratcheted up pressure on Venezuelan President Nicolas Maduro on Wednesday, imposing sanctions on four companies and associated oil tankers it said were operating in Venezuela's oil sector. The muted price movement reflected a struggle between short-term geopolitical risks and longer-term market fundamentals that point towards oversupply.

Nigeria's oil output averages 1.46mbpd, below OPEC benchmark

- Nigeria produced a total of 443.25 million barrels of crude oil between January and October 2025, according to crude oil and condensate production data from the Nigerian Upstream Petroleum Regulatory Commission. According to the NUPRC report, this translates to an average of about 1.46 million barrels per day. Despite intermittent improvements, the output level meant that Africa's largest oil producer remained below its 1.5 million barrels per day crude oil quota set by the Organization of Petroleum Exporting Countries, achieving about 97% of the quota during the 10-month period.
- A breakdown of the figures shows that January recorded the highest crude oil production during the period at 47.70 million barrels, while February was the weakest month at 41.02 million barrels. Output recovered in March and April and remained relatively strong through May, June, and July before easing in August and September. Crude oil production in October stood at 43.44 million barrels. In addition to crude oil, Nigeria produced 60.55 million barrels of condensate between January and October. This comprised 17.38 million barrels of blended condensate and 43.17 million barrels of unblended condensate, reflecting the growing role of condensates in supporting overall oil output. Combined crude oil and condensate production during the period amounted to 503.79 million barrels, equivalent to an average total oil production of about 1.66 million barrels per day.
- However, this performance fell short of the Federal Government's 2025 budget oil production benchmark of over two million barrels per day, which covers both crude oil and condensate. At an average of 1.66 million barrels per day, Nigeria underperformed the budget target by about 340,000 barrels per day, representing a shortfall of roughly 17 per cent, despite condensate volumes boosting headline production.

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