

# WEEKLY FINANCIAL MARKET REVIEW

1<sup>st</sup> – 5<sup>th</sup> December 2025

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## NIGERIA ECONOMIC DASHBOARD

Current

Previous

	Current	Previous	
01 Brent crude (\$/pb)	\$63.89	\$63.21	▲
02 NAFEM Rate (N/\$)	\$1,454.00	\$1,446.90	▲
03 Inflation	16.05%	18.02%	▼
04 GDP growth	3.98%	4.23%	▼
05 MPR	27.00%	27.50%	▼
06 NGX cap (N'trn)	93.72	91.29	▲
07 External Debt size (\$'bn)	46.98	45.98	▲
08 Ext. reserves (\$'bn)	45.04	44.61	▲
09 Unemployment	4.30%	5.30%	▼

# GLOBAL ECONOMY & MARKETS



## US: Consumer spending slows amid high prices and uneven recovery

- Consumer spending in the U.S rose modestly in September, signalling a slowdown in economic momentum after three consecutive months of stronger gains. Rising living costs and a softening labour market have strained household budgets, weakening the pace of consumer activity. According to the latest data, overall spending increased by just 0.3%, with goods purchases largely stagnating while services spending grew slightly, supported mainly by higher-income households who continue to benefit from strong equity markets. At the same time, inflation, measured by the PCE index accelerated to 2.8%, its fastest pace in 18 months, partly due to rising import tariffs.
- These outcomes highlight the growing divide between wealthier consumers and lower-income households, with lower income households pressured by subdued wage growth and elevated living costs. Despite these challenges, the moderation in real spending and easing in core inflation may give the Federal Reserve room to consider interest-rate cuts, a move that could ease financial conditions if economic momentum continues to decline

## Europe: Eurozone inflation ticks up in November

- Consumer inflation in the euro area edged up to 2.2% in November, a marginal increase from October's 2.1% which is just above market expectations. This reflects the region's uneven journey towards price stability. The rise in price pressures was fuelled primarily by an acceleration in services inflation printing 3.5% which is its highest level since April due to persistent wage and demand pressures. However, energy continued to fall at a slower pace to -0.5% from -0.9% the month before while prices for non-energy industrial goods and food, alcohol and tobacco remained unchanged at 0.6% and 2.5%, respectively. Core inflation also held steady at 2.4%, falling below forecasts but indicating that underlying price pressures remain sticky.
- A look across the largest economies reveals varying outcomes as Germany's inflation rate rose to 2.6%, above the ECB's 2% target while Spain and the Netherlands posted lower rates with France and Italy posting notably lower inflation levels than the others due to weak domestic demand. This uneven standing makes the ECB's inclinations uncertain as there's a need to take a balanced approach to ensure that the Eurozone's economy remains in good standing.

## Asia: Japan's consumer confidence hits 19-month high

- Consumer confidence in Japan surged to 37.5 in November, up from 35.8 in October and outperforming market expectations of 35.9 making it its highest reading since April 2024. This is a notable reflection of broad based improvement in household sentiments. Overall livelihood expectations rose to 36.2 from 34.3, anticipated income growth strengthened to 41.0 from 40.0, employment outlook improved to 41.7 from 40.1 and willingness to purchase durable goods rose to 30.9 from 28.9.
- Analysts note that the gains are an indication of growing confidence among households, driven by stable labour market conditions, moderate inflation and stabilisation following years of slow growth. This rise could lead to improved domestic consumption in the short-medium term, providing a crucial boost to Japan's economy.

## Africa: Ghana's inflation eases further to 6.3% in November

- Ghana's inflation rate fell to 6.3% in November 2025, marking the eleventh consecutive monthly decline in price growth and the lowest level since the rebasing exercise in 2021 bolstered by a stronger Ghanaian Cedi and lower costs of import. The slowdown reflects broad-based easing across food and non-food prices, as food inflation fell to 6.6% from 9.5%, while non-food inflation moderated to 6.1% from 6.9% in the previous month.
- Following the bank of Ghana's recent decision to cut interest rates, analysts suggests that the most recent data could create room for further monetary easing as the persistent decline in inflation suggests a more stable economic environment and improved consumer purchasing power and confidence creating a suitable climate for investment and sustainable growth.

## US Market

- Over the past week, the U.S. stocks market closed in the green as traders digested inflation data that could provide further incentive for the Federal Reserve to lower interest rates next week. The S&P 500 gained 0.31%, ending the week at 6,870.39 points, the Dow Jones Industrial Average gained 0.50% to settle at 47,955.00 points, the tech focused Nasdaq Composite also gained 0.91% settling at 23,578.13 points, while the Russell 2000 index also rose by 0.84% ending the week at 2,521.48 points.
- The market sorted through a fresh slate of economic releases Friday. The Commerce Department said that the core personal consumption expenditures (PCE) price index for September – which was delayed due to the record-setting U.S. government shutdown – showed an annual rate of 2.8%, lower than the 2.9% Dow Jones estimate. The PCE report, which serves as the Fed's primary inflation gauge, gives the central bank its final inflation view before Wednesday's interest rate vote. With inflation being mild, jobs remain more in focus after recent reports showed signs of weakening in the labor market.
- Also on Friday, the University of Michigan's consumer survey, a report that provides a glimpse at sentiment as well as the view on inflation over the near and longer term, came in higher than expected for December.

## European Market

- In the review week, European equities traded mixed, with next week's Federal Reserve policy decision in focus. U. K's FTSE lost -0.55% to close at 9,667.01 points. Germany's DAX gained 0.80% to end the week at 24,028.14 points and France's CAC 40 was down -0.10% to 8,114.74 points. The pan-European Stoxx 600 also gained 0.40% to 578.77 points.
- Investors are awaiting the outcome of the Federal Reserve's Federal Open Market Committee meeting next week. Expectations of a quarter-percentage point cut have surged in the past two weeks, with money markets now pricing in an 87.1% chance of policymakers trimming their key interest rate, according to the CME's FedWatch tool. Economic reports Friday brought news that core U.S. inflation for September — the most recent month for which data is available — was at 2.8%, or 0.1 percentage point below forecast, according to the Commerce Department's personal consumption expenditures price index.

## Asian Market

- Asia-Pacific markets traded mixed. Markets are watching tech stocks closely amid recent concerns of a bubble. Hong Kong's Hang Seng Index gained 0.87% to end the week at 26,085.09 points. China's mainland CSI and Japan's Nikkei 225 gained 1.28% and 0.38% to 4,584.54 and 50,446.08 points respectively, while the Kospi index rose by 4.42% to close the week at 4,100.05 points.
- Shares of Moore Threads, a Beijing-based graphics processing unit manufacturer often referred to as "China's Nvidia," soared by more than 400% on its debut in Shanghai following its \$1.1 billion listing. India's Nifty 50 rose 0.2% after the Reserve Bank of India cut its policy rate by 25 basis points to 5.25%, matching forecasts from economists polled by Reuters.
- The monetary policy committee delivered a unanimous reduction, citing "weakness in some key economic indicators," even as headline inflation has eased significantly and is expected to be revised lower in the first quarter of 2025, said RBI governor Sanjay Malhotra.

# DOMESTIC ECONOMY & MARKETS



## Nigerian economy expanded by 3.98% in Q3 2025

- Nigeria's Gross Domestic Product (GDP) grew by 3.98% in Q3 2025, easing from the 4.23% recorded in the previous quarter (Q2 2025) but still higher than the 3.86% growth posted in the corresponding period of 2024 (Q3 2024), according to the National Bureau of Statistics (NBS). This moderation in economic growth was recorded despite improvements in key economic data such as sustained disinflationary trend, steady accretion in external reserve, as well as stability in foreign exchange.
- In nominal terms, aggregate GDP stood at ₦113.59 trillion, a significant increase from ₦96.16 trillion recorded in Q3 2024. This reflects a year-on-year growth of 18.12%. From a sectoral standpoint, the services sector remained the dominant contributor to GDP at 53.02%, followed by agriculture at 31.21%, and industries at 15.77%. The services sector also recorded the fastest growth at 4.15%, while agriculture and industries expanded by 3.79% and 3.77%, respectively.
- The non-oil sector grew by 3.91% in real terms in Q3 2025, marking an improvement from both the 3.79% recorded in the corresponding period of 2024 and the 3.64% posted in Q2 2025. In terms of contribution, the non-oil sector accounted for 96.56% of total real GDP in Q3 2025. The oil sector on the other hand grew by 5.84% in Q3 2025, up from 5.66% in Q3 2024, but significantly below the 20.46% posted in Q2 2025. Its contribution to real GDP stood at 3.44%.

## CBN revises cash withdrawal rules

- The Central Bank of Nigeria (CBN) has revised its cash withdrawal rules, discontinuing the special authorisation previously permitting individuals to withdraw ₦5 million and corporates ₦10 million once monthly. This was communicated via a circular "Revised Cash-Related Policies" which takes effect on January 1, 2026. Under the new framework, the previous cap on cash deposits is entirely removed. In other words, individuals and businesses will no longer face a cumulative deposit limit, and the fee that was previously charged for deposits exceeding that limit has been abolished. On the withdrawal side, the new maximum is now ₦500,000 per week (across all withdrawal channels). For corporate entities, the weekly cap is set at ₦5,000,000.
- Daily withdrawals from Automated Teller Machines (ATMs) remain capped at ₦100,000 per customer, although ATM withdrawals are now part of the broader weekly ₦500,000 individual limit. Also, banks are now required to load all denominations of Naira into ATMs, possibly to ensure sufficient liquidity and ease of withdrawal within the new limits. For withdrawals that exceed the weekly thresholds, a fee of 3% for individuals and 5% for corporate customers will apply. These fees will be shared such that 40% goes to the CBN and 60% to the operating bank or financial institution.
- The CBN justified the amendments as part of ongoing efforts to reduce the rising cost of cash management, address security concerns associated with large cash transactions, and curb money-laundering risks tied to Nigeria's heavy reliance on cash. The regulator notes that the earlier cash-related policies were designed to encourage electronic payment channels, but changes in economic and operational realities necessitated a revised framework.

## FEC approves 2026 – 2028 MTEF, projects ₦34.33 trillion revenue

- The Federal Executive Council (FEC) has approved the 2026–2028 Medium-Term Expenditure Framework (MTEF), a key fiscal document that outlines Nigeria's revenue expectations, macroeconomic assumptions, and spending priorities for the next three years. For 2026, total federal revenue is projected at ₦34.33 trillion, a figure that includes about ₦4.98 trillion expected from government-owned enterprises.
- To arrive at that projection, the government set macroeconomic assumptions including a crude oil benchmark price of US\$64.85 per barrel, an exchange rate of ₦1,512 to one dollar, and plans for oil production benchmark of 1.8 mbpd, which inform the baseline for revenues. On the spending side, the MTEF outlines anticipated statutory transfers of about ₦3 trillion, debt servicing at ₦10.91 trillion, and non-debt recurrent costs (like salaries and overheads) of ₦15.27 trillion. The plan results in a projected fiscal deficit of roughly ₦20.1 trillion, equivalent to about 3.6% of GDP under the framework's assumptions.
- This disclosure was made by the Minister of Budget and Economic Planning, Senator Atiku Bagudu after the FEC meeting, stating that the parameters utilized were based on macroeconomic analysis by the Budget Office and other relevant agencies.

### Money Market

- System liquidity edged higher over the week despite the Central Bank of Nigeria's (CBN) primary market auction. This increase comes after the moderation recorded in the prior week. The surge in liquidity levels was primarily driven by OMO and Primary market repayments that injected fresh cash into the system. Banks deposited excess cash with the CBN using the Standing Deposit Facility (SDF), while the Standing Lending Facility (SLF) was not utilized at all, highlighting the heightened liquidity within the system. On the final trading day of the week, system liquidity stood at ₦3.2 trillion, in contrast to ₦1.96 trillion recorded in the previous week. Banking rates were relatively stable for the week, the Open Buy Back (OBB) rate closed flat at 22.50% while the Overnight (O/N) rate recorded a slight increase to 22.72% (+1bps).
- At the Treasury Bills Primary Market Auction conducted on Wednesday 3rd December 2025, the CBN offered ₦700 billion worth of Treasury bills, compared to a total bid of ₦774 billion. Translating to a bid-to-cover ratio of 1.11x. At the close of the auction, the Apex bank allotted ₦709 billion worth of bills. Compared to the last auction, the 91-day and the 182-day bill maintained their previous stop rates, closing at 15.30% and 15.50% respectively. The 364-day bill on the other hand cleared the auction higher, closing at 17.5% (+146 bps).
- In the review week, the Treasury bill secondary market experienced a trend reversal, diverging from the sustained bullish momentum observed over the last four weeks. Consequently, the average yield rose to 17.19% (+31 bps) from 16.88% recorded in the previous week.
- The OMO secondary market recorded a downtrend in average yield in the review week. The average benchmark yield closed at 21.28% (-11bps) down from 21.39% last week.

### Fixed Income Market

- The secondary bond market ended the week on a mildly bearish note. The average yield gained by 3 bps, closing the week at 15.52% slightly higher than 15.50% recorded in the prior week. In terms of classification by tenors, the average benchmark yield on the short tenors closed at 15.73% (-1.75 bps). The average yield on the mid tenor gained, closing at 15.64% (+7 bps), while the long tenor closed flat at 17.21% (flat).

### Eurobond Market

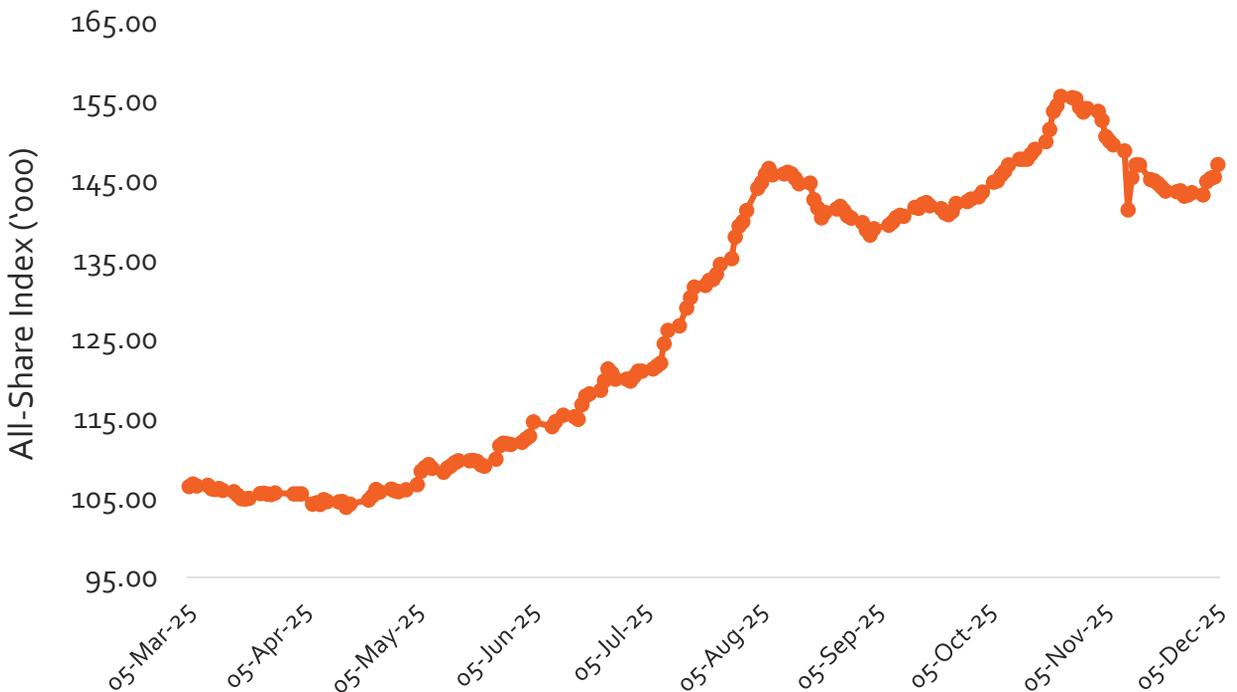
- The Nigerian Eurobond market continues its bullish trend as there is an increasing chance of a 25bps rate cut during the FOMC meeting on December 10.

**The Norrenberger NSEI yield dipped by 29 basis points to end the week at 7.14%.**

### The Equities Market

- After five consecutive weeks of losses, the Nigerian equities market recorded a trend reversal as the market closed bullish for the week. The NGX All-Share Index and Market Capitalization appreciated by 2.45% and 2.67 to close the week at 147,040.08 and N93.722 trillion respectively.
- Consequently, market breadth returned positive with fifty-five (55) equities appreciating in price during the week, higher than thirty-eight (38) equities in the previous week. Twenty-nine (29) equities depreciated in price, lower than thirty-six (36) equities in the previous week, while sixty-three (63) equities remained unchanged, lower than seventy-three (73) recorded in the previous week.
- A total turnover of 6.617 billion shares worth N113.224 billion in 109,590 deals was traded this week by investors on the floor of the Exchange, in contrast to a total of 4.140 billion shares valued at N115.889 billion that exchanged hands last week in 102,351 deals.
- Index performance was broadly positive, as major indices under coverage closed the week in green. Industrial Goods (+7.83%) recorded the highest gain, followed by the Banking index (+3.20%), Consumer Goods (+1.56%) and Insurance (+1.48%). Oil & Gas (0.57%) was the only outlier for the week.
- The price performance chart revealed NCR (+33.03%), UACN (22.69%) and GUNINESS (+18.56%) as the highest gainers for the week. On the other hand, RTBRISCOE (12.79%), LEGENDINT (-10.71%) and UNIONDICON (-10.00%) recorded the highest price losses for the week.

NGX All Share Index - YTD



Source: NGX, Norrenberger Research

# ISLAMIC FINANCE



## BIBF and LSEG to host Islamic Finance Dialogue 2025 amid strong global industry growth

- The Bahrain Institute of Banking and Finance (BIBF), in partnership with the London Stock Exchange Group (LSEG), will host the Islamic Finance Dialogue 2025 on Sunday, 7 December 2025, at the BIBF headquarters in Bahrain Bay. The event will bring together senior banking executives, Islamic finance practitioners, industry experts, and regulatory representatives from across the region and beyond.
- Held as the industry marks its 50th anniversary, the dialogue will offer a forward-looking platform to examine key shifts shaping the global Islamic finance landscape. The programme will feature three high-level panel sessions covering global industry trends, innovation in liquidity and treasury management, and the expanding role of sukuk in international capital markets. The event builds on insights from the Islamic Finance Development Indicator (IFDI) 2025 Report, which highlights the industry's strong growth trajectory, with Islamic finance assets reaching USD 5.98 trillion in 2024—up 21% year-on-year—and projected to rise to USD 9.7 trillion by 2029, alongside expectations that global sukuk issuance will surpass USD 1 trillion in the coming years.
- Commenting on the upcoming dialogue, Dr. Ahmed Al Shaikh, CEO of the BIBF, noted that the event offers an important opportunity to explore the sector's future in an increasingly dynamic global environment. He emphasized Bahrain's commitment to fostering innovation and cultivating talent to support sustainable industry development. The gathering is expected to provide valuable insights for professionals, researchers, and students, while facilitating direct engagement with leaders shaping the next phase of growth in Islamic finance.

## ITFC and TDB group expand strategic partnership with new USD 200 million trade finance facility

- The International Islamic Trade Finance Corporation (ITFC), a member of the Islamic Development Bank (IsDB) Group, and the Trade and Development Bank Group (TDB Group) have announced an expansion of their long-standing partnership to strengthen food and energy security across TDB Member States. Building on more than USD 800 million in TDB's participation in ITFC-led syndicated facilities, both institutions signed a framework agreement in Abuja to increase an existing ITFC Murabaha facility by USD 100 million, with a target size of USD 200 million. The signing took place during the 5th Arab Africa Trade Bridges (AATB) Program Board of Governors Meeting.
- The enhanced facility is expected to support TDB Group's trade finance operations across key member countries by enabling the import and export of strategic commodities and improving liquidity for essential sectors. The initiative aligns with shared development priorities in markets where both institutions are actively engaged.
- Eng. Adeen Y. Al Aama, CEO of ITFC, highlighted the partnership's growing development impact, while TDB Group President and Managing Director Admassu Tadesse emphasized ITFC's role as a key ally in supporting essential commodity trade and advancing stronger economic ties across member countries.

## NGX Lotus Index gained by 1.97%

- The NGX Lotus index recorded 13,029.77 points, higher than 12,778.55 points recorded in the previous week, resulting in a gain of 1.97% at the end of the week. This positive performance was supported by gains in key stocks within the index. DANGCEM led the way with a 15.02% increase, followed by WAPCO (+2.99%) and BUACEMENT (+1.25%).

## Sukuk trading report for the week

- Trading activity in the sukuk market edged up slightly, with 33 deals completed, up from 32 deals in the previous week. A total of 119,739 units valued at N117.01 million were traded, compared to last week's 113,983 units worth N117.44 million.
- The TAJSUKS2 emerged as the most actively traded for the week, with a total of 18 deals, 28,109 units exchanged and a total trade volume of N27.43 million.

# CURRENCY & ENERGY MARKETS



## Currency Market

	05-Dec-25	28-Nov-25	W-o-W%
<b>NAFEM (N/\$)</b>	1,454.00	1,446.90	-0.49%
<b>Parallel Market (N/\$)</b>	1,470.00	1,470.00	0.00%

- At the NAFEM window, the currency closed at ₦1,454/\$1 on December 5, down from ₦1,446.90/\$1 the previous week, representing a 0.49% week-on-week decline. On the parallel market rate, however, the currency closed same as last week at ₦1,470/\$1. Market sentiments remain cautious, with participants watching out for any signals that could ease pressures on the naira in the coming weeks.

## Commodities & Energy Market

Items	Gold (\$/t.oz)	Silver (\$/t.oz)	Coal (\$/T)	Cocoa (\$/T)	Soybeans (\$/Bu)
<b>Weekly Performance (%)</b>	0.00%	+3.94%	-1.05%	+2.47%	-2.73%

### Oil prices edge higher as Ukraine peace talks lack progress

- Oil prices rose modestly on Thursday, supported by renewed strikes on Russian oil infrastructure and the lack of progress in diplomatic efforts to end the war in Ukraine. With Brent crude up by 0.04% to \$62.94 per barrel, while U.S. West Texas Intermediate rose by 0.06%, to \$59.28 per barrel.
- Previously, expectations of an end to the war had pressured prices lower, as traders anticipated a deal would involve ending sanctions on Russia and allow Russian oil back into an already oversupplied global market, but this bullish sentiment ran into headwinds from U.S. inventory data released by the U.S. Energy Information Administration.
- The report showed U.S. crude stocks rose by 574,000 barrels in the week ended November 28, defying the expectation of a 1.9-million-barrel draw. Inventories of gasoline and distillates also climbed sharply with gasoline up by 4.52 million barrels and distillates by 2.1 million barrels. The simultaneous build in crude and refined products underlines lingering demand weakness in the world's largest oil consumer, thereby offsetting much of the risk-driven price support.

### Gold prices suffer profit taking ahead of likely Fed cut

- Gold prices edged lower on Thursday, weighed by profit-taking even as investors grew more confident that the Federal Reserve will cut interest rates this week. Spot gold fell 0.2% to \$4,196.00 an ounce and U.S. Gold Futures for February delivery slipped 0.2% to \$4,225.75 an ounce. Spot gold has soared almost 60% so far this year, but traders have taken some of these profits ahead of December 9-10 Federal reserve meeting.
- The World Gold Council (WGC) still sees further strong gains ahead, as investment demand, particularly via gold exchange-traded funds (ETFs), would remain a key driver, offsetting weakness in other areas such as jewellery or technology. The combination of falling yields, elevated geopolitical stress and a pronounced flight-to-safety would create exceptionally strong tailwinds for gold supporting a sharp move higher. Under this scenario gold could surge 15-30% in 2026 from current levels.



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