



COWRY WEEKLY FINANCIAL MARKETS

REVIEW & OUTLOOK (CWR)



Cowry Research

**DOMESTIC ECONOMY: H1:2025 Reality Check Shows a Budget Living on Borrowed Time with Debt Running Hot.....**

The 2025 approved budget set a clear half-year benchmark, but actual performance by mid-year shows a widening disconnect between plans and reality. Aggregate federal government revenue was budgeted at N48.97 trillion for the year, translating to a half-year target of N24.48 trillion. Actual collections at mid-year stood at about N20.44 trillion. That is a shortfall of roughly N4 trillion against the half-year expectation, a gap that immediately frames the rest of the fiscal story.

Independent revenue was expected to deliver N7.99 trillion for the year, with a half-year benchmark of N3.99 trillion. Actual performance came in at approximately N3.58 trillion. While this is not a collapse, it underlines a recurring problem: independent revenue is still underperforming relative to its strategic importance in the budget. Oil revenue, budgeted at N6.08 trillion annually and N3.04 trillion for half-year, delivered about N2.94 trillion. That is closer to target, but still marginally behind, and offers little buffer for the broader revenue weakness.

Expenditure tells a very different story. Total expenditure was approved at N34.35 trillion, with a half-year benchmark of N17.18 trillion. Actual spending by mid-year reached approximately N16.22 trillion. On the surface, this looks controlled, but the composition of that spending raises red flags. Recurrent non-debt expenditure alone was budgeted at N13.99 trillion for the year, with a half-year allocation of N6.99 trillion. Actual spending hit about N6.23 trillion, showing that recurrent costs are moving almost automatically toward their ceiling.

Personnel costs illustrate this rigidity clearly. With an annual budget of N4.08 trillion and a half-year benchmark of N2.04 trillion, actual spending reached about N1.90 trillion by mid-year. Pension costs followed the same pattern, posting N1.42 trillion against a half-year budget of N1.72 trillion. These figures confirm that salaries and pensions continue to dominate fiscal space, leaving little room for adjustment when revenues fall short.

Debt service remains the most troubling pressure point. Budgeted at N8.25 trillion for the year, with a half-year target of N4.12 trillion, actual debt service payments already climbed to about N4.73 trillion by mid-year. This means debt service has exceeded its half-year benchmark, consuming more revenue than planned and reinforcing the uncomfortable reality that debt obligations are growing faster than the revenue base.

Capital expenditure shows underperformance, but not necessarily discipline. The annual capital budget of N8.32 trillion implied a half-year benchmark of N4.16 trillion. Actual capital releases stood at roughly N3.28 trillion. The gap reflects slow execution rather than savings, pushing economic impact into the second half and raising the risk of rushed spending later in the year.

Financing completes the picture. Total financing was projected at N9.46 trillion for the year, with N4.73 trillion expected by mid-year. Actual financing reached about N4.85 trillion, slightly above target. In effect, borrowing is already compensating for revenue weakness and elevated debt service costs.

Conclusively, the half-year numbers expose a budget running on momentum rather than balance. Revenues are lagging by trillions, recurrent spending is moving as expected regardless of performance, debt service is overrunning its benchmark, and financing is stepping in earlier than planned. Unless revenue collection accelerates sharply in the second half and spending discipline tightens, the budget risks closing the year leaning even more heavily on borrowing, with very little room left to pretend this is temporary....

EQUITIES MARKET: Bulls Stay in Control as Holiday Rally Holds Firm, ASI Up 0.97% w/w Higher with N953.4bn.....

The local bourse closed the pre-Christmas trading week on a confident footing, riding a wave of festive optimism and sustained risk-on sentiment. Investor appetite remained tilted toward mid- and large-cap names, with consumer goods and banking stocks firmly in focus as portfolio managers continued to reshuffle positions ahead of year-end book closure.

Despite the shortened trading week, momentum stayed intact. The NGX All-Share Index posted gains in three sessions, clearing the 153,000 psychological threshold to close at 153,539.83 points, up 0.97% week on week. The rally was driven by renewed buying interest in bellwether stocks such as GUINNESS NIGERIA, ALUMINIUM EXTRUSION COMPANY, UBA, and BUA CEMENT, reinforcing the market's bullish bias and boosting investor confidence.

Market capitalization tracked the index higher, advancing by 0.98% to N97.89 trillion. Market breadth remained firmly positive at 1.5x, with 44 gainers outweighing 30 losers, underscoring the broad-based nature of the advance. As a result, equity investors flexed with N953.4 billion in weekly gains from three sessions as the exchange's year-to-date return improved further to a robust 49.17%, cementing 2025 as a strong year for equities.

Trading activity, however, reflected the holiday-shortened week. Total volume and value traded declined sharply by 70.8% and 79.12% week on week to 2.88 billion units worth N63.86 billion. Deal count also fell by 36.6% to 80,288 trades, compared with 126,637 in the previous week. This slowdown was more a function of fewer trading days than waning investor interest.

Sectoral performance leaned decisively positive. Five of the six sectors under coverage closed in the green, led by the NGX Consumer Goods and Banking indices, which gained 3.34% and 2.93% respectively. These gains were supported by strong demand for INTERNATIONAL BREWERIES, MEYER, FIRSTHOLDCO, GUINNESS, and UBA, as investors positioned for earnings resilience and dividend prospects. The Insurance sector was the lone laggard, shedding 2.13% following selloffs in NEM, MANSARD, and PRESTIGE.

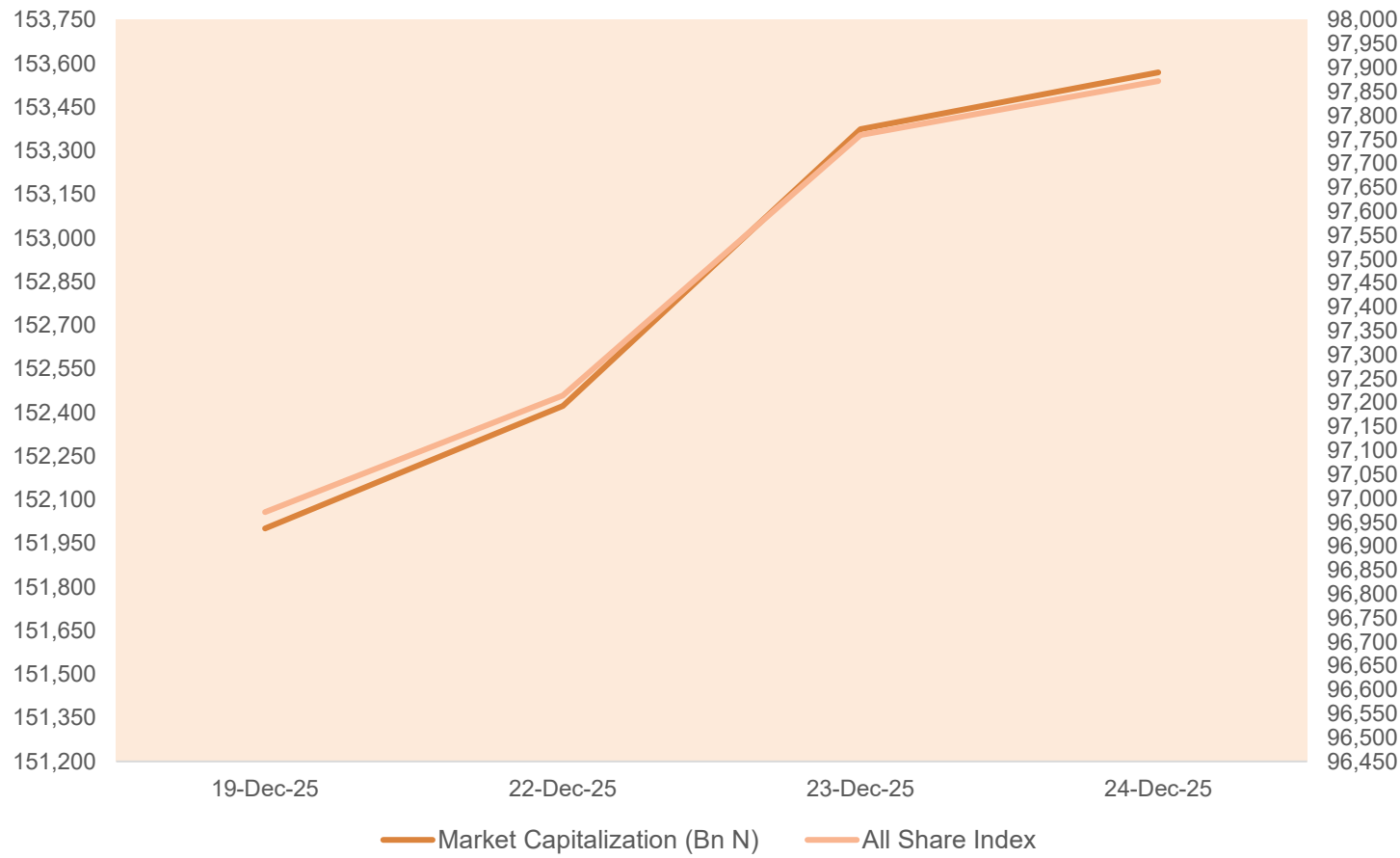
The NGX Industrial and Commodity indices followed with gains of 1.17% and 0.05%, while the Oil and Gas sector closed largely flat. Advances in ALEX, AUSTINLAZ, BUACEM, and WAPCO underpinned the industrial space, keeping overall sentiment constructive.

From a technical standpoint, the market continues to trade comfortably above its key short- and medium-term moving averages, confirming the strength of the prevailing uptrend. While momentum indicators remain supportive, the length of the rally suggests that mild pullbacks could emerge as traders lock in profits.

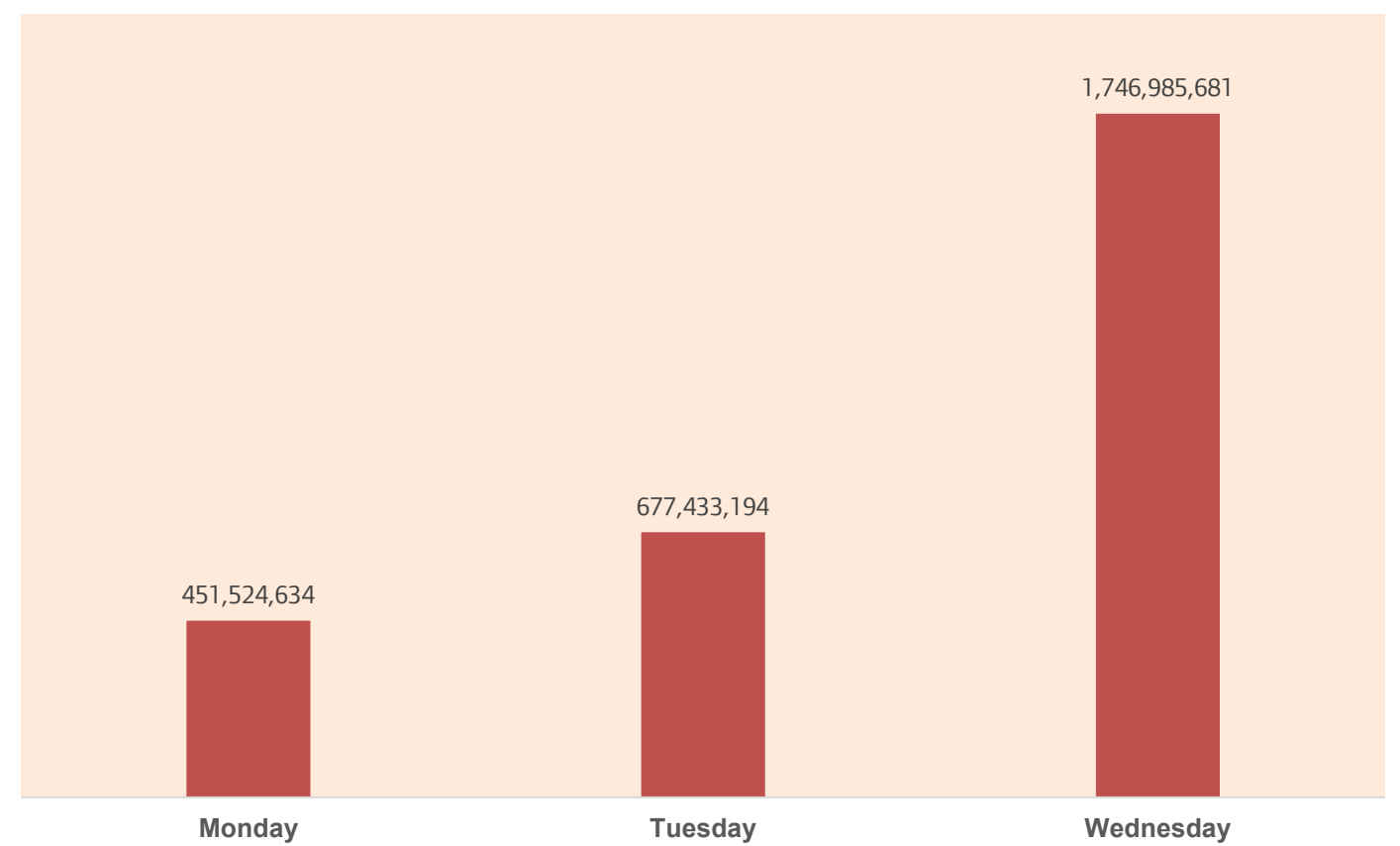
Looking ahead, we expect bullish sentiment to carry into the final trading days of 2025. With year-end rebalancing still underway, investors are likely to remain selective, rotating into fundamentally sound stocks as positioning shifts toward the new trading year. Meanwhile, we will continue to advise investors to take position in fundamentally sound stocks.



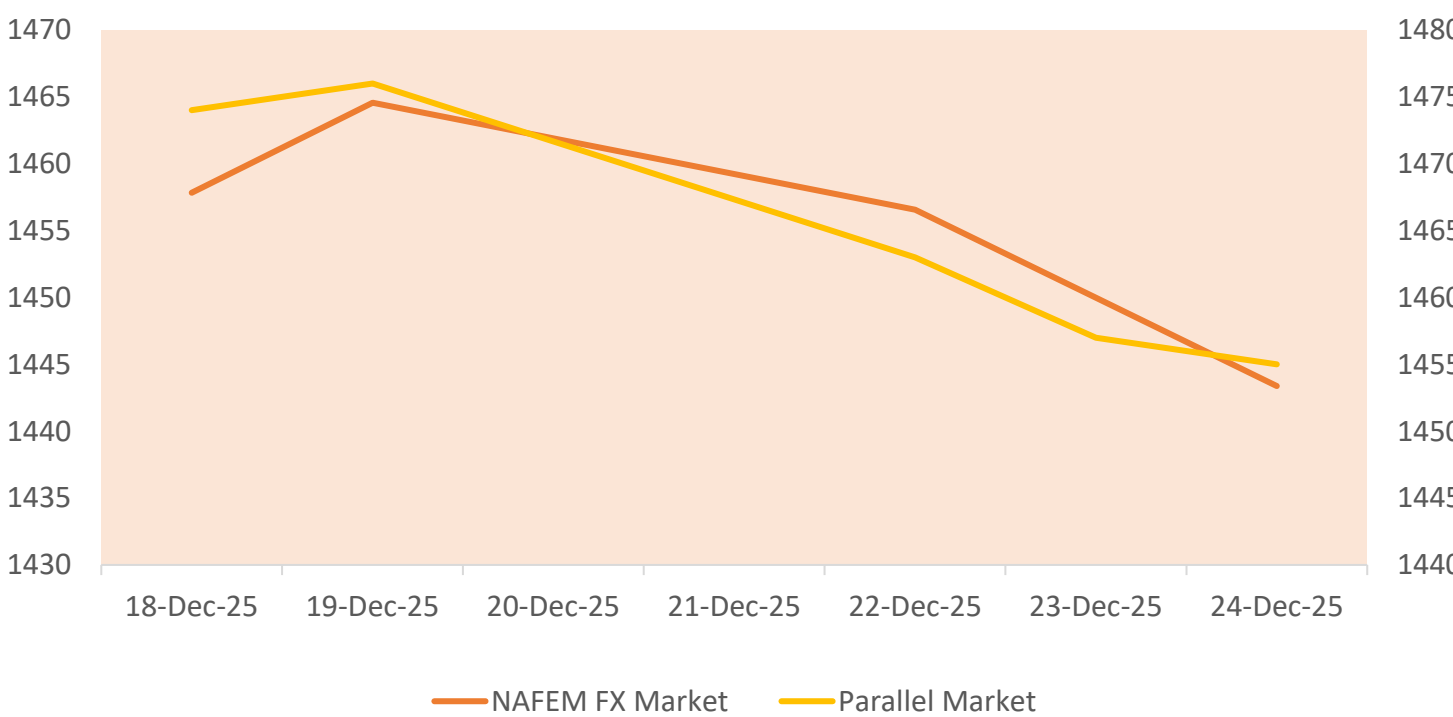
Evolution of Equities Performance Gauges



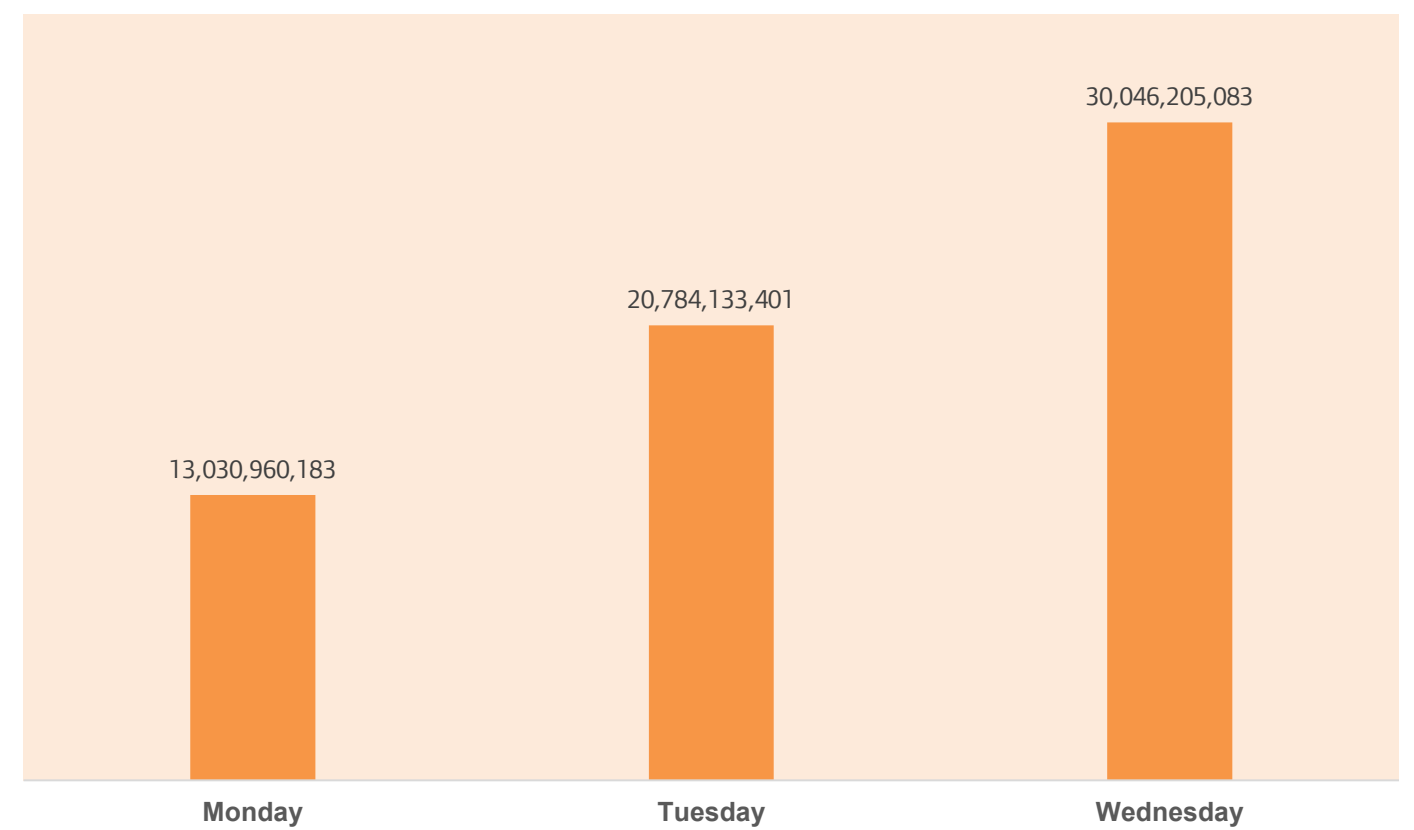
Daily Traded Volume



Evolution of NGN/USD Exchange Rates



Daily Traded Value



Weekly Top Gainers and Losers as at Friday, December 24, 2025

FGN Eurobonds Yields as at Friday, December 24, 2025

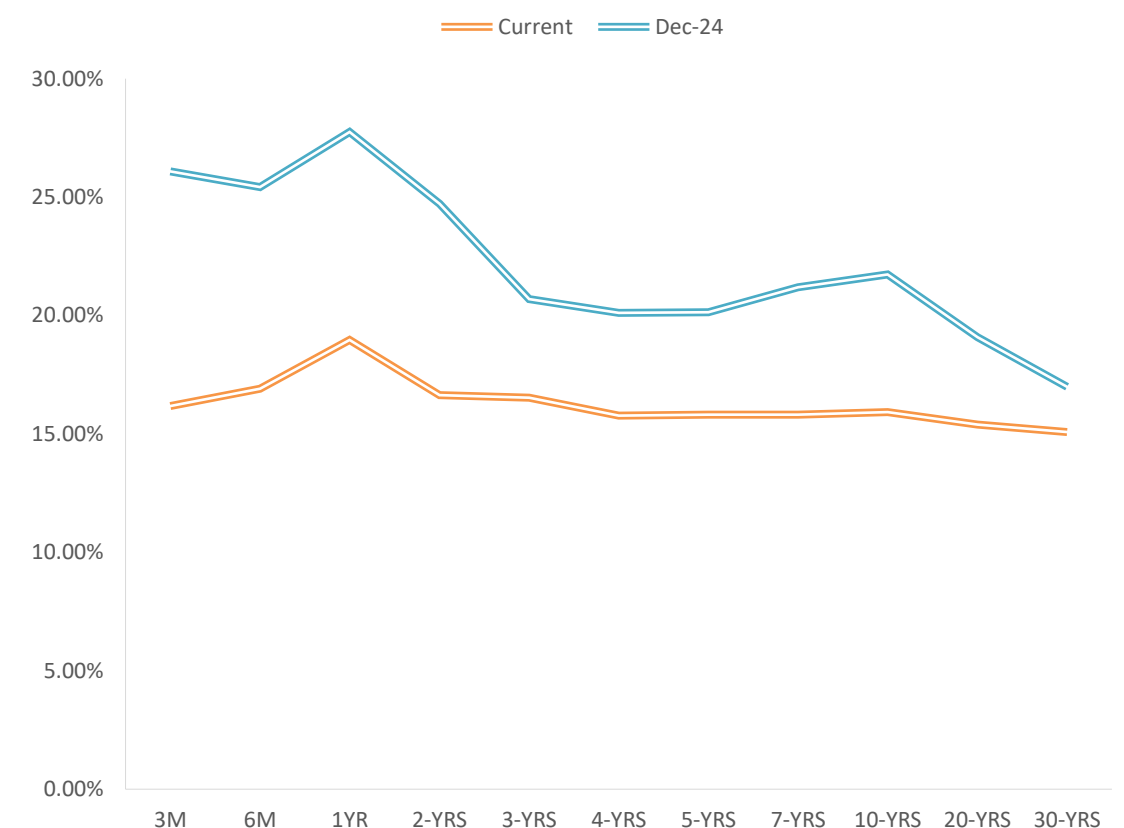
Top Ten Gainers				Bottom Ten Losers			
Symbol	24-Dec-25	19-Dec-25	% Change	Symbol	24-Dec-25	19-Dec-25	% Change
ALEX	16.35	12.35	32.4%	LEGENDINT	4.90	5.55	-11.7%
AUSTINLAZ	3.20	2.42	32.2%	CHAMPION	15.00	16.95	-11.5%
INTBREW	14.50	12.00	20.8%	NEM	24.10	26.30	-8.4%
MECURE	65.2	55	18.5%	MANSARD	13.00	14.00	-7.1%
FIRSTHOLDCO	53	44.95	17.9%	ABCTRANS	3.27	3.50	-6.6%
FTNCOCOA	5.10	4.42	15.4%	ELLAHLAKES	13.05	13.95	-6.5%
INTENEGINS	2.6	2.27	14.5%	PRESTIGE	1.52	1.62	-6.2%
IKEJAHOTEL	36.95	33.10	11.6%	MTNN	504.00	531.70	-5.2%
GUINNESS	318.6	289.7	10.0%	DAARCOMM	0.9	0.94	-4.3%
EUNISELL	87.95	80.00	9.9%	REGALINS	0.97	1.01	-4.0%

FGN Eurobonds	24-Dec-25		Weekly		24-Dec-25		Weekly	
	Issue Date	TTM (years)	Price (N)	USD Δ	Yield	PPT Δ		
6.50 NOV 28, 2027	28-Nov-17	1.93	101.30	0.04	5.8%	(0.03)		
6.125 SEP 28, 2028	28-Sep-21	2.76	100.42	0.14	6.0%	(0.06)		
8.375 MAR 24, 2029	24-Mar-22	3.25	106.34	0.21	6.2%	(0.08)		
7.143 FEB 23, 2030	23-Feb-18	4.17	103.38	0.41	6.2%	(0.12)		
8.747 JAN 21, 2031	21-Nov-18	5.08	109.25	0.37	6.6%	(0.09)		
7.875 16-FEB-2032	16-Feb-17	6.15	104.46	0.30	7.0%	(0.06)		
7.375 SEP 28, 2033	28-Sep-21	7.77	101.75	0.68	7.1%	(0.11)		
7.696 FEB 23, 2038	23-Feb-18	12.18	100.25	0.23	7.7%	(0.03)		
7.625 NOV 28, 2047	28-Nov-17	21.94	94.27	0.51	8.2%	(0.05)		
9.248 JAN 21, 2049	21-Nov-18	23.09	108.79	0.55	8.4%	(0.05)		
8.25 SEP 28, 2051	28-Sep-21	25.78	98.02	0.48	8.4%	(0.04)		

Weekly Stock Recommendations as at Friday, December 24, 2025

Stock	Current EPS	Forecast EPS	BV/S	P/B Ratio	P/E Ratio	52 Wks' High	52 Wks' Low	Current Price	Price Target	Short term Stop Loss	Short term Take Profit	Potential Upside	Recommendation
AIRTEL AFRICA PLC	148.14	189.62	1,215	1.87	15.32x	2372.5	2100	2,270	2905.6	1,930	2,611	28.00	Buy
ECOBANK TRANSNATIONAL PLC	19.48	25.19	149.86	0.25	1.95x	39.9	23.5	38.00	49.1	32.3	43.7	29.33	Buy
FIRST HOLDCO PLC	6.84	9.16	70.37	0.75	7.75x	55.3	23.55	53.00	71.0	45.1	61.0	34.00	Buy
LAFARGE AFRICA PLC	12.90	16.60	39.07	3.43	10.39x	154.30	35.60	134.00	172.4	113.9	154.1	28.67	Buy
NIGERIAN BREWERIES PLC	2.71	3.43	17.64	4.50	29.30x	82.40	27.15	79.35	100.5	67.4	91.3	26.67	Buy

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U.S.-Dollar Foreign Exchange Rates as at 4:30 PM GMT+1, Friday, December 24, 2025

MAJOR	24-Dec-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1792	1.1794	-0.02%	0.44%	1.92%	13.84%
GBPUSD	1.3513	1.3517	-0.03%	1.00%	2.62%	7.92%
USDCHF	0.7889	0.7876	0.16%	-0.85%	-2.33%	-13.07%
USDRUB	78.9464	78.0026	1.21%	-1.93%	0.09%	-30.44%
USDNGN	16.6717	16.6700	0.01%	-0.19%	0.04%	-6.06%
USDZAR	16.6717	16.6700	0.01%	-0.52%	-3.13%	-11.57%
USDEGP	47.5400	47.4783	0.13%	-0.13%	-0.56%	-6.40%
USDCAD	17.93	17.8994	0.18%	-0.86%	-3.05%	-4.94%
USDMXN	17.93	17.8994	0.18%	-0.42%	-2.46%	-13.99%
USDBRL	5.52	5.5221	-0.02%	0.01%	2.58%	-10.73%
AUDUSD	0.5840	0.5842	-0.04%	1.65%	3.77%	8.46%
NZDUSD	0.5840	-0.0600	-0.04%	1.15%	3.84%	4.41%
USDJPY	7.0094	7.0192	-0.14%	0.08%	-0.15%	-0.98%
USDCNY	7.0094	7.0192	-0.14%	-0.43%	-1.04%	-4.47%
USDINR	89.7040	89.4535	0.28%	-0.81%	0.63%	4.83%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, December 24, 2025

Commodity		24-Dec-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	58.5	58.4	0.25%	4.81%	0.94%	-18.44%
BRENT	USD/Bbl	62.5	62.4	0.18%	4.63%	1.04%	-16.34%
NATURAL GAS	USD/MMBtu	4.3	9.8	-3.07%	6.08%	-4.74%	17.50%
GASOLINE	USD/Gal	1.8	1.8	-0.01%	2.16%	-5.75%	-13.02%
COAL	USD/T	105.9	108.2	-2.17%	-2.49%	-4.72%	-15.45%
GOLD	USD/t.oz	4,492.1	4,484.4	0.17%	3.55%	8.75%	71.19%
SILVER	USD/t.oz	71.0	71.4	-0.67%	7.15%	37.76%	145.52%
WHEAT	USD/Bu	524.0	517.0	1.36%	3.41%	-0.71%	-5.08%
PALM-OIL	MYR/T	4,035.0	4,035.8	-0.02%	1.77%	1.13%	-9.20%
COCOA	USD/T	5,879.7	5,957.7	-1.31%	-1.64%	17.62%	-48.89%



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