

Cowry Weekly Financial Markets Review & Outlook (CWR)



Segment Outlook:

Cowry Financial Markets Review, Outlook & Recommended Stocks

DOMESTIC ECONOMY: Nigeria's Headline Inflation Eases to 21.88%, Sticky Food and Core Inflation Still in Focus....

From Cowry Research's perspective, the sustained moderation in headline inflation is primarily the result of high base effects, naira stability, improved FX liquidity, and softer global commodity prices, particularly in wheat and diesel. Meanwhile, gradual declines in food and core inflation from June suggest that easing imported inflationary pressures and improved domestic supply factors are starting to work through the economy.....

FOREX MARKET: FX Market Stable as Oil Prices Diverge, External Reserves Strengthen

In the coming week, the naira is expected to trade largely stable at the official window, supported by continued CBN interventions and improved FX inflows

MONEY MARKET: Funding Strain Sends NIBOR Up, T-Bills See Mild Relief ...

Looking ahead to next week, short-term interbank rates are expected to remain elevated, driven by persistent tight liquidity and the absence of significant maturities. Although CBN interventions and limited inflows from maturing securities may offer some relief, funding costs are likely to stay above recent averages amid heightened competition for available funds.....

BOND MARKET: Local Bonds Cautious as Yields Rise; Eurobonds Gain on Renewed Demand

Looking into the coming week the domestic bond market is expected to trade quietly, as investors adopt a cautious stance while the DMO fine-tunes supply. Selective demand at attractive points may spur mild rallies, but tight liquidity and the absence of new issuance should keep yields range-bound.....

EQUITIES MARKET: Equities Retreat on Broad Selloffs as Investors Lose N713 billion; Insurance Index Breaks Away...

In the coming week, we anticipate that weak sentiments will persist in the equities market as investors continue to balance profit-taking activities with selective bargain hunting. The release of July CPI figures is expected to further shape trading mood, while ongoing portfolio reshuffling and sector rotation will likely define market dynamics in the near term.....

DOMESTIC ECONOMY: Nigeria’s Headline Inflation Eases to 21.88%, Sticky Food and Core Inflations Still in Focus.....

The latest consumer price index report from the NBS showed another moderation in the headline inflation index to 21.88% in July 2025 year on year relative to the June 2025 headline inflation rate of 22.22%. This is in line with our 21.82% forecast for July 2025 as Nigeria’s headline inflation rate moderated for the fourth consecutive month. However, on a monthly basis, headline inflation rose to 2.0% from 1.7% in June, driven largely by elevated food prices.

The decline was driven by a soft reading in the food and core inflation indices which eased from the June readings respectively. This marks the lowest year-on-year reading since April 2023 and reflects the cumulative effect of a relatively stable exchange rate regime, softening energy prices, and a favourable base effect post-CPI rebasing. Other notable drivers include restaurants and accommodation services (2.83%), transport (2.33%), and housing-related costs (1.84%). These figures highlight the persistence of structural inflation pressures — particularly in food supply chains and logistics — even as overall inflation slows.

The food index remains the key swing factor printed at 22.74% year on year in July from 21.97% in June. The monthly increase was led by food (0.80%), followed by restaurants and accommodation (0.26%) and transport (0.21%), reflecting sectors still experiencing notable price hikes that could influence future inflation expectations. On a month-on-month basis, the food inflation rate in July 2025 was 3.12%, down by 0.14% compared to June 2025 (3.25%). The decrease can be attributed to the rate of decrease in the

average prices of Vegetable Oil, Bean (White), Rice Local, Maize Flour, Guinea Corn (Sorghum), Wheat Flour, Millet Whole grain, etc.

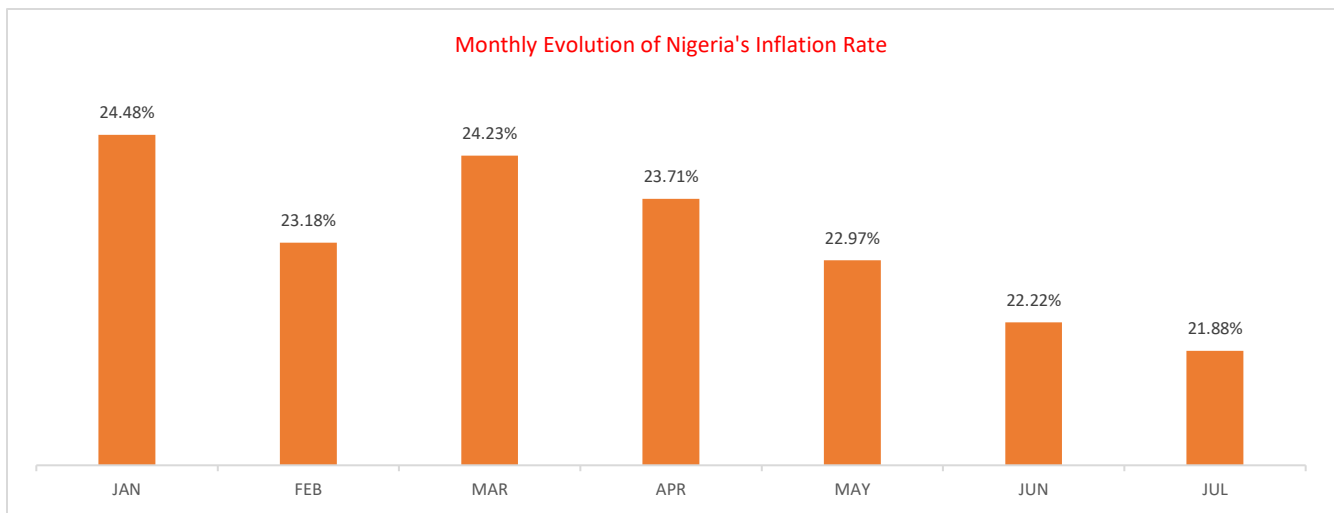
Elsewhere, the core inflation index which excludes the prices of volatile agricultural produces and energy stood at 21.33% in July 2025 on a year-on-year basis; a decline of 6.13% when compared to the 27.47% recorded in July 2024. On a month-on-month basis, the Core Inflation rate was 0.97% in July 2025, down by 1.49% compared to June 2025 (2.46%), reinforcing the view that underlying price pressures are cooling — a favourable development for economic stability.

At the sub-index level, July saw sharp reversals: the farm produce index surged to 3.96% (from -13.3% in June), the energy index jumped to 2.71% (from -11.0%), while the goods index rose to 2.72% (from 0.93%). Services, however, softened to 0.47% (from 3.26%), signalling some relief in demand-driven pressures.

Regional inflation patterns remained highly divergent. Borno (34.52%), Niger (27.18%), and Benue (25.73%) posted the highest year-on-year headline rates, while Yobe (11.43%), Zamfara (12.75%), and Katsina (15.64%) recorded the lowest. On a month-on-month basis, inflation was most pronounced in Borno (6.11%), Zamfara (5.72%), and Kano (4.31%), with the least increases in Bauchi (0.26%), Katsina (0.30%), and Anambra (0.37%). Similarly, food inflation on a year-on-year basis was highest in Borno (55.56%), while Katsina (6.61%) and Adamawa (9.90%) saw the mildest increases.

From Cowry Research’s perspective, the sustained moderation in headline inflation is primarily the result of high base effects, naira stability, improved FX liquidity, and softer global commodity prices, particularly in wheat and diesel. Meanwhile, gradual declines in food and core inflation from June suggest that easing imported inflationary pressures and improved domestic supply factors are starting to work through the economy.

Looking ahead, we project headline inflation to moderate further to 20.83% in August 2025, supported by early harvest inflows, continued FX stability, and subdued global commodity prices. That said, the stickiness in food and logistics costs means the path of disinflation will likely remain slow and uneven, keeping real sector and consumer recovery fragi

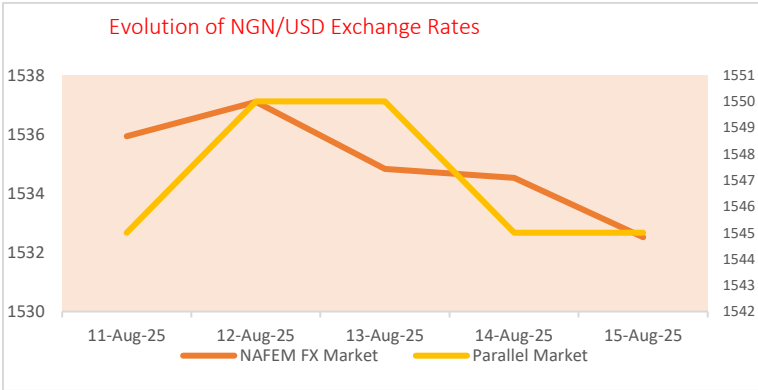


FOREX MARKET: FX Market Stable as Oil Prices Diverge, External Reserves Strengthen...

In the foreign exchange market, the naira posted a marginal gain at the official window, appreciating by 0.07% week-on-week to close at N1,532.51/\$1. This modest recovery occurred despite headwinds from a stronger US dollar and weaker global oil prices, following OPEC+’s announcement of a potential supply increase.

However, in the parallel market, the naira was unchanged week-on-week, closing at an average of N1,545/\$1.

Crude oil prices retreated sharply over the week, with Brent crude down 0.62% to \$66.40 per barrel and the US benchmark WTI shedding 0.81% to \$63.40 per barrel. The pullback was fueled by multiple bearish catalysts, including OPEC+’s announcement of a potential supply increase, rising trade tensions between major economies, a decline in US crude exports, and persistent uncertainty over sanctions on Russian energy. These factors spurred broad-based selling in the energy markets.



Nigeria’s Bonny Light crude bucked the global downtrend, rising 1.39% to close at \$70.25 per barrel, supported by sustained demand from key export markets. On a positive note, the country’s external reserves grew by 1.07% week-on-week to \$40.72 billion, boosted by improved foreign inflows. This increase could provide a buffer against external shocks and help stabilise the naira in the near term.

In the coming week, the naira is expected to trade largely stable at the official window, supported by continued CBN interventions and improved FX inflows. However, headwinds from a stronger US dollar and softening crude prices could limit further gains. Barring major shocks in global markets, the currency should hold steady, with intermittent pressure from external factors. In the parallel market, rates are also projected to remain unchanged, unless speculative demand or supply constraints arise.

MONEY MARKET: Funding Strain Sends NIBOR Up, T-Bills See Mild Relief.....

This week, the Nigerian Interbank Offered Rate (NIBOR) advanced across all tenors, with the Overnight, 1-month, 3-month, and 6-month rates closing at 32.54%, 30.64%, 31.21%, and 31.66%, respectively. The broad-based increase reflected heightened pressure on short-term funding. Similarly, money market rates climbed, as the Open Buy Back (OBR) rate rose by 560 basis points to 32.10%, while the Overnight (O/N) rate inched up by 540 basis points to 32.40%, underscoring the prevailing tight liquidity conditions.

The Nigerian Interbank Treasury Bills True Yield (NITTY) curve posted a mixed performance. The 3-month and 6-month tenors rose by 18bps and 9bps to close at 17.12% and 18.41%, respectively, while the 1-month and 12-month tenors declined by 2bps and 47bps to 16.08% and 19.38%, respectively. In the secondary T-bills market, bullish sentiment prevailed amid shifting global risk dynamics, driving the average yield marginally lower by 1bp to 17.96%.

In the week ahead, short-term interbank rates are expected to remain elevated, driven by persistent tight liquidity conditions as activities increase at the Standing Lending Facilities of the CBN. Meanwhile, N600 billion inflows from OMO-bills maturity and the expected N358 billion from T-bills should bring some ease in the monetarty space.

BOND MARKET: Local Bonds Cautious as Yields Rise; Eurobonds Gain on Renewed Demand.....

The Nigerian secondary bond market recorded mixed trading activity during the week, with mild buying and selling interest observed across all tenor segments. This resulted in a modest 16bps uptick in the average yield to 16.62%, as investors adopted a cautious stance amid tight system liquidity and the absence of strong primary market catalysts.

In contrast, the sovereign Eurobond market posted a mild bullish performance during the week, with broad-based demand across the curve. Consequently, average Eurobond yields declined by 2bps week-on-week to 7.96%, reflecting renewed investor appetite for high-yield emerging market debt.

In the coming week, the domestic bond market is expected to trade quietly, as investors adopt a cautious stance while the DMO fine-tunes supply. Selective demand at attractive points may spur mild rallies, but tight liquidity and the absence of new issuance in the week should keep yields range-bound.

EQUITIES MARKET: Equities Retreat on Broad Selloffs as Investors Lose N713 billion; Insurance Index Breaks Away.....

The Nigerian equities market closed the week on a negative note, posting broad-based declines as bearish sentiment persisted across key sectors. The downturn was driven largely by sustained selloffs in Banking, Consumer Goods, Oil & Gas, Industrial Goods, and Commodity stocks even as market players digest the recently published July 2025 consumer price inflation data which saw a moderation to 21.88% year on year. In contrast, the Insurance Index outperformed significantly, surging 8.21% week-on-week, following renewed investor optimism spurred by the official signing of the Nigerian Insurance Act into law.

As a result, the benchmark NGX All-Share Index declined by 0.77% week-on-week to close at 144,628.20 points, down from 145,754.91 points in the previous week. Correspondingly, market capitalisation fell by N713 billion to settle at N91.50 trillion, trimming the year-to-date return to 40.52%. Despite the overall downturn, investor sentiment remained relatively strong, as reflected in the positive market breadth, with 66 gainers against 41 decliners.

Market activity was largely subdued during the week. The number of deals fell by 1.11% week-on-week to 177,919, while total traded volume declined by 1.73% to 8.56 billion units, indicating reduced participation from both retail and institutional investors in key tickers. Similarly, the total market value traded dropped sharply by 25.39% to N100 billion compared to the previous week.

Sectoral performance was broadly negative, with five of the six tracked indices closing the week in the red. The Oil & Gas sector led the losers, shedding 1.42% week-on-week, pressured by sustained selloffs in select mid-to-large-cap counters. The downtrend was also mirrored across the Banking, Consumer Goods, Industrial Goods, and Commodity sectors, while the Insurance index stood out as the sole gainer.

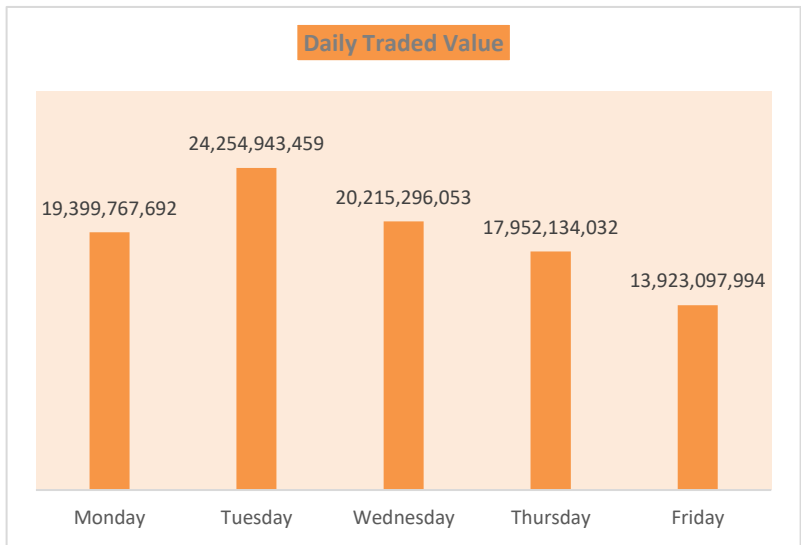
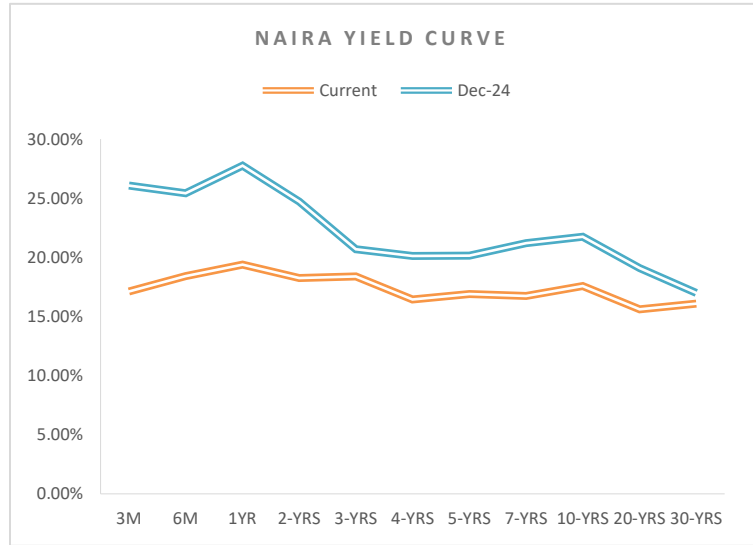
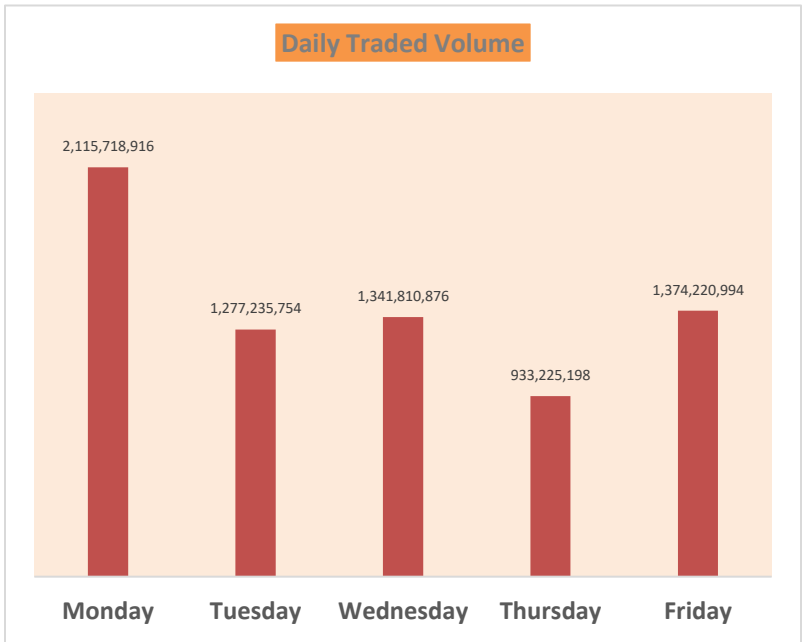
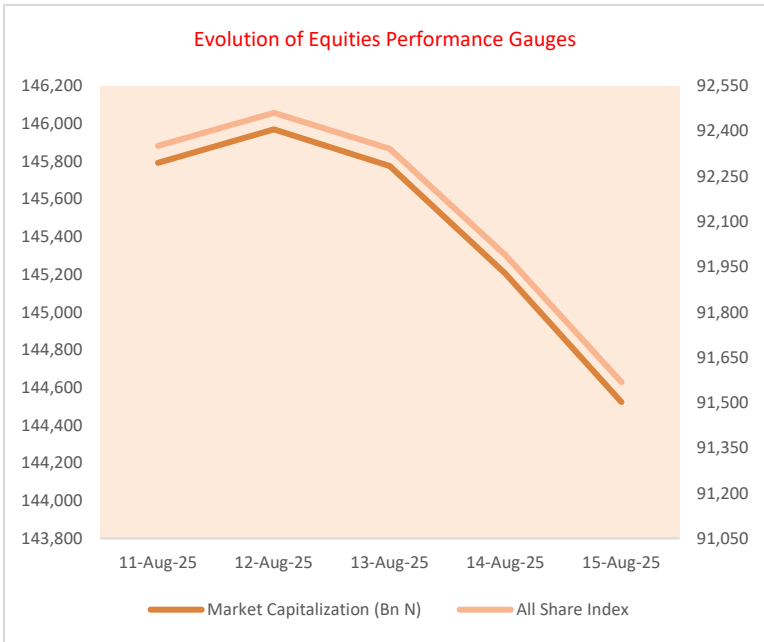
The Industrial Goods sector also closed weaker, down 0.83% due to losses in large-cap stocks. The Consumer Goods index followed with a 0.94% week-on-week decline, while the Banking sector shed 0.23%. Similarly, the Commodities sector posted a marginal 0.03% loss, reflecting mild sell pressure.

In contrast, the Insurance sector outperformed significantly, advancing 8.21% week-on-week, buoyed by renewed investor optimism following the enactment of the Nigerian Insurance Act into law.

At the close of the week, top performers included Mutual Benefits Assurance with a 31.8% increase, TRIPPLE G with a 30.2% rise, SUNUASSUR gaining 23.8%, MECURE up by 20.5%, and DEAPCAP appreciating by 19.3%. On the flip side, the worst-performing stocks were UPDC which declined by 17.7%, LIVINGTRUST down by 16.0%, BERGER shedding 14.7%, VFDGROUP dropping 11.2%, and UNILEVER falling by 10.3%.

In the coming week, we anticipate that weak sentiments will persist in the equities market as investors continue to balance profit-taking activities with selective bargain hunting. The release of July CPI figures is expected to further shape trading mood, while ongoing portfolio reshuffling and sector rotation will likely define market dynamics in the near term. As corporate earnings season progresses as well as the expectations for Bank financials, market players are digesting company results against the backdrop of cautious trading, while positioning for opportunities in fundamentally strong stocks. The current wave of sector rotation reflects investors' preference for value plays, with price corrections creating attractive entry points despite prevailing volatility.

Thus, we expect intermittent pullbacks to strengthen the market's upside potential as investors reallocate portfolios in response to both domestic economic indicators and global market trends. Accordingly, we advise investors to leverage price corrections and maintain a strategic focus on value-driven opportunities, while keeping an eye on macroeconomic developments that could influence sentiment.



Weekly Top Gainers and Losers as at Friday, August 15, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	15-Aug-25	08-Aug-25	% Change	Symbol	15-Aug-25	08-Aug-25	% Change
MBENEFIT	3.85	2.92	31.8%	UPDC	6.50	7.90	-17.7%
TRIPPLEG	5.60	4.30	30.2%	LIVINGTRUST	4.2	5	-16.0%
SUNUASSUR	6.19	5.00	23.8%	BERGER	32	37.5	-14.7%
MECURE	19.10	15.85	20.5%	VFDGROUP	11.90	13.40	-11.2%
DEAPCAP	1.61	1.35	19.3%	UNILEVER	71.50	79.70	-10.3%
LINKASSURE	2.43	2.06	18.0%	STERLINGNG	7.5	8.35	-10.2%
CHAMPION	16.95	14.41	17.6%	HMCALL	4.4	4.84	-9.1%
GUINEAINS	1.49	1.27	17.3%	NGXGROUP	63.25	69.25	-8.7%
JBERGER	147.60	126.00	17.1%	HONYFLOUR	22.70	24.80	-8.5%
MANSARD	16.75	14.64	14.4%	ABCTRANS	4.60	5.00	-8.0%

FGN Eurobonds	Issue Date	TTM (years)	15-Aug-25 Price (N)	Weekly USD Δ	15-Aug-25 Yield	Weekly PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.27	100.32	0.00	6.2%	-0.10
6.50 NOV 28, 2027	28-Nov-17	2.29	100.25	0.44	6.4%	-0.21
6.125 SEP 28, 2028	28-Sep-21	3.12	98.20	0.60	6.8%	-0.22
8.375 MAR 24, 2029	24-Mar-22	3.61	103.90	0.78	7.1%	-0.25
7.143 FEB 23, 2030	23-Feb-18	4.53	98.94	0.90	7.4%	-0.24
8.747 JAN 21, 2031	21-Nov-18	5.44	104.06	0.98	7.8%	-0.23
7.875 16-FEB-2032	16-Feb-17	6.51	99.19	1.07	8.0%	-0.21
7.375 SEP 28, 2033	28-Sep-21	8.13	94.09	1.13	8.4%	-0.20
7.696 FEB 23, 2038	23-Feb-18	12.53	90.77	1.37	8.9%	-0.19
7.625 NOV 28, 2047	28-Nov-17	22.30	83.80	1.79	9.4%	-0.22
9.248 JAN 21, 2049	21-Nov-18	23.45	97.93	1.82	9.5%	-0.20
8.25 SEP 28, 2051	28-Sep-21	26.14	87.80	1.72	9.5%	-0.21

Weekly Stock Recommendations as at Friday, August 15, 2025

Stock	Current EPS	Forecas t EPS	BV/S	P/B Ratio	P/E Ratio	52 Wks' High	52 Wks' Low	Curren t Price	Price Target	Short term Stop Loss	Short term Take Profit	Potenti al Upside	Reco mme ndati on
ACCESSCORP PLC	4.88	6.63	103.75	0.27	5.72x	28.95	18	27.9	37.9	23.7	32.1	36.00	Buy
ECOBANK TRANSNATIONAL PLC	12.27	15.70	147.15	0.26	3.16x	38.05	20.45	38.8	49.7	33.0	44.6	28.00	Buy
NAHCO PLC	4.56	5.83	8.92	11.69	22.87x	117	33.25	104.2	133.4	88.6	119.8	28.00	Buy
GUINNESS PLC	7.40	8.14	8.38	18.58	21.05x	155.75	61.20	155.75	203.0	132.4	179.1	30.34	Buy
OKOMU OIL PLC	49.83	68.77	81.99	12.44	20.47x	1120	338.1	1020	1407.6	867.0	1173.0	38.00	Buy

U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, August 15, 2025

MAJOR	08-Aug-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1709	1.1651	0.50%	0.57%	0.62%	6.16%
GBPUSD	1.3565	1.3530	0.26%	0.87%	1.14%	4.78%
USDCHF	0.8056	0.8076	-0.25%	-0.31%	0.57%	-6.99%
USD RUB	80.4299	79.7520	0.85%	0.54%	2.64%	-10.08%
USDNGN	17.5720	17.5773	-0.03%	-0.01%	0.14%	-3.64%
USDZAR	17.5720	17.5773	-0.03%	-0.95%	-1.29%	-1.63%
USDEGP	48.3300	48.3010	0.06%	-0.44%	-2.21%	-1.18%
USDCAD	18.70	18.8018	-0.55%	0.37%	0.84%	0.93%
USDMXN	18.70	18.8018	-0.55%	0.70%	-0.11%	0.33%
USDBRL	5.40	5.4161	-0.38%	-0.67%	-3.05%	-1.37%
AUDUSD	0.5934	0.5920	0.23%	0.04%	-0.05%	-2.26%
NZDUSD	0.5934	-0.0600	0.23%	-0.28%	-0.16%	-1.97%
USDJPY	7.1854	7.1811	0.06%	-0.46%	-0.69%	-0.41%
USDCNY	7.1854	7.1811	0.06%	-0.05%	0.06%	0.33%
USDINR	87.4930	87.6947	-0.23%	-0.10%	1.89%	4.31%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, August 15, 2025

Commodity		08-Aug-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	63.4	64.0	-0.85%	-0.68%	-2.67%	-16.01%
BRENT	USD/Bbl	66.4	66.8	-0.62%	-0.23%	-3.04%	-16.62%
NATURAL GAS	USD/MMBtu	3.0	9.8	4.20%	-1.02%	-16.66%	39.40%
GASOLINE	USD/Gal	2.1	2.1	-0.98%	1.04%	-3.06%	-9.62%
COAL	USD/T	110.9	111.8	-0.81%	-2.51%	0.82%	-26.07%
GOLD	USD/t.oz	3,343.8	3,335.8	0.24%	-1.64%	-0.12%	33.31%
SILVER	USD/t.oz	38.0	38.0	-0.08%	-0.99%	0.16%	30.78%
WHEAT	USD/Bu	507.5	503.5	0.80%	-1.26%	-6.14%	-4.15%
PALM-OIL	MYR/T	4,517.0	4,405.1	2.54%	6.18%	6.91%	22.74%
COCOA	USD/T	8,137.9	8,224.3	-1.05%	-4.78%	6.27%	-8.25%

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