# COWRY WEEKLY FINANCIAL MARKETS REVIEW & OUTLOOK (CWR)

Cowry Research

## DOMESTIC ECONOMY: August PMI Signals Sustained Expansion at 51.7pts, But Industry Struggles to Keep Pace….

Our economic analysis this week tilts focus on the latest PMI report published by the Central Bank of Nigeria (CBN), which shows that Nigeria's economy sustained its expansionary momentum in August 2025, as the Composite Purchasing Managers' Index (PMI) printed at 51.7 points, marking the ninth consecutive month of growth in business activity. Out of the 36 subsectors surveyed across Industry, Services, and Agriculture, 22 subsectors expanded, led by Forestry, while 14 subsectors contracted, with Paper Products posting the sharpest decline. This reinforces a picture of moderate but consistent resilience in economic activity, with expansion in the Services and Agriculture sectors underpinning the outlook for Q3 2025.

The underlying indices further highlight this momentum: Output (52.8), New Orders (50.9), Employment (51.0), and Raw Material Inventories (51.2) all registered growth, while Suppliers' Delivery Time (52.4) reflected faster delivery rates. However, the expansion was uneven across sectors. The Industry sector remained in contraction territory at 49.1 points, dragged by declines in Output (49.6), New Orders (47.2), Employment (48.9), and Raw Materials (48.9). Only Delivery Time offered a silver lining at 52.4. Out of 17 subsectors in Industry, 7 recorded expansions—led by Transportation Equipment—while 10 contracted, with Paper Products the weakest performer.

By contrast, the Services sector extended its expansion streak to a seventh month, recording 51.9 points on the back of increased business activity. Output (53.0), New Orders (51.3), Employment (51.4), and Inventories (51.8) all strengthened, with Educational Services posting the strongest gains, while Professional, Scientific & Technical Services contracted the most. Meanwhile, the Agriculture sector maintained its thirteenth consecutive month of expansion, closing at 53.9 points, supported by strong General Farming (56.3), New Orders (54.6), Employment (52.5), and Inventories (52.4). Notably, all five subsectors under Agriculture expanded, with Forestry leading.

On pricing dynamics, input price indices outpaced output price indices across all sectors, suggesting firms continued to absorb costs to remain competitive. The Industry sector recorded the widest input-output price gap (7.4 points), highlighting cost pressures, while Services recorded the lowest gap (3.7 points). With Agriculture bearing the highest input and output costs, the persistent divergence reflects firms' cautious pricing behaviour, balancing rising costs with the need to sustain demand.

For Cowry Research, we note the continued expansion in private sector activities and maintain a cautiously optimistic outlook, with agriculture and services offsetting industrial drag, but macroeconomic headwinds may continue capping the upside. Thus, we expect the Nigerian private sector to sustain its expansionary trend above the 50-point mark, signalling resilience despite mounting cost pressures. Agriculture will likely remain the growth anchor, supported by seasonal output and steady demand across both domestic and export markets. Services are set to continue their positive trajectory, buoyed by consumer demand and business activity in telecoms, trade, and financial services. However, the industrial sector faces persistent structural bottlenecks, with rising input and output prices weighing on competitiveness. The moderation in headline PMI readings highlights a more cautious pace of expansion relative to earlier in the year. Encouragingly, gains in New Orders and Employment point to businesses still positioning for growth in Q3 2025. Yet, risks remain tilted to the downside, with inflationary pressures and FX constraints threatening margins and supply chains.

## FOREX MARKET: Naira Appreciates Across Windows, External Buffers Improve as Oil Market Faces Mixed Demand Projections…

The foreign exchange market recorded stronger performance for the naira across key trading segments during the week. At the official Nigerian Autonomous Foreign Exchange Market (NAFEM) window, the local currency appreciated by 0.89% week-on-week to close at N1,501.50/$1, buoyed by improved liquidity and sustained dollar inflows. Likewise, the parallel market posted a 1.85% gain, with the naira strengthening to an average of N1,510/$1. This broad-based uptick reflects renewed trader confidence and a moderation of speculative pressures in the informal market.

Crude oil prices are set to end the week lower, weighed down by renewed concerns over slowing global demand. The International Energy Agency (IEA) cut its 2025 demand growth forecast to 750,000 barrels per day, citing muted consumption in emerging markets and a looming contraction in OECD demand. In contrast, OPEC struck a more optimistic tone, projecting growth of 1.3 million barrels per day this year and 1.4 million next year, driven primarily by non-OECD countries. Beyond the demand outlook, traders remain cautious about China's ability to sustain its aggressive stockpiling—already amounting to 187 million barrels this year—and the uncertain impact of fresh Western sanctions on Russian oil exports. These concerns have reinforced bearish sentiment, keeping prices under pressure despite the divergent projections from the IEA and OPEC.

In contrast to the global trend, Nigeria's Bonny Light crude gained 2.16% to close at $68.56 per barrel. On the macroeconomic front, the country's external reserves inched higher by 0.19% week-on-week to $41.62 billion from $41.54 billion, supported by stronger foreign inflows. Although modest, this incremental build-up provides a critical buffer against external vulnerabilities such as volatile oil prices and currency pressures. It also enhances the Central Bank of Nigeria's (CBN) capacity to intervene in the foreign exchange market when necessary, thereby helping to stabilize the naira.

In the coming week, we expect the naira to mainatain its current trend of appreciation, supported by steady dollar inflows, CBN interventions, and stronger external reserves. However, renewed speculative activity could spark volatility. In the oil market, bearish demand forecasts may keep global prices under pressure, though Nigeria's resilient Bonny Light and gradual reserve build-up provide buffers that could help sustain near-term currency stability.

## BOND MARKET: Domestic Bonds and Eurobonds Close Bullish, Yields Decline on Broad Investor Demand…..

The Nigerian secondary bond market closed the week on a bullish note, supported by heightened investor demand across multiple tenor segments. Activity was particularly strong in short- and medium-dated instruments, reflecting improved market sentiment and a preference for fixed-income assets amid lingering uncertainties in other asset classes. This broad-based buying interest exerted mild downward pressure on yields, as the average yield declined by 29 basis points to settle at 16.67% for the week.

In line with the bullish momentum in the domestic bond market, the Nigerian sovereign Eurobond segment also closed the week on a positive note, buoyed by strong investor sentiment across the curve. Demand was particularly evident in mid- to long-dated maturities, as investors sought higher yields in emerging-market assets against a backdrop of improving risk appetite. This broad-based buying interest pushed average Eurobond yields lower by 15 basis points week-on-week, settling at 7.86%.

Looking into the week, domestic bond demand is expected to stay firm on liquidity support, though CBN's policy tightening risks could slow momentum. In Eurobonds, global risk sentiment and oil prices will guide performance, with room for modest yield compression but potential for profit-taking….

## MONEY MARKET: Money Market Awash with Liquidity as Investors Eye Upcoming Auctions…

The Nigerian money market remained highly liquid this week, closing with a net system surplus of N2.09 trillion, buoyed by N600 billion in OMO maturities, N184.75 billion in NTB maturities, and sustained placements by deposit money banks at the CBN's Standing Deposit Facility window. The liquidity inflow provided strong support for funding positions across the financial system and helped keep money market rates relatively stable.

NIBOR performance reflected a mixed trend, with strategic positioning by banks across different maturity buckets driving demand for short-term funds. The Overnight NIBOR eased 9bps week-on-week to 26.83% as improved liquidity relieved immediate funding pressure. However, the 1-month, 3-month, and 6-month NIBOR rose by 9bps, 13bps, and 18bps, respectively, reflecting cautious positioning ahead of future obligations. The benchmark interbank funding rates also closed on a mixed note: while the Overnight Repo (OVN) dipped 4bps to 26.96%, the Open Repo Rate (OPR) held steady at 26.50%.

Investor sentiment remained upbeat in the secondary market, pushing NITTY rates higher across all tenors. Consequently, NITTY rates advanced by 47bps (1-month), 45bps (3-month), 20bps (6-month), and 25bps (12-month). By contrast, treasury bill yields compressed as buying interest gained traction, with the average secondary market yield falling 151bps week-on-week to 17.16%, underscoring sustained appetite across the short, mid, and long ends of the curve.

Looking ahead, system liquidity is expected to remain elevated, with maturities of N378 billion (N300 billion OMO bills and N78 billion NTBs) set to hit the market. In addition, the CBN is scheduled to auction N290 billion in fresh NTBs across the standard maturities, which may shape yield dynamics in the coming week……

## EQUITIES MARKET: Bulls Return as NGX Caps the Week Higher; ASI Up 1.13% Despite Weak Breadth….

The Nigerian equities market ended the week on a bullish note, snapping out of its recent cautious trend as renewed investor appetite lifted major indices higher. Driven largely by broad-based demand across key sectors and selective interest in heavyweight counters, the rally underscored the resilience of local equities even as caution continued to linger among market participants.

The benchmark NGX All-Share Index (ASI) advanced by 1.13 percent week-on-week, closing at 140,545.69 points from 138,980.01 points recorded in the previous week. In the same vein, the total market capitalisation swelled by N985 billion to settle at N88.92 trillion, thereby raising the year-to-date return to a healthy 36.55 percent. While this strong showing highlights sustained inflows and renewed investor confidence, the underlying market breadth told a different story. At 0.96x, with 47 gainers relative to 49 decliners, the uptrend was clearly selective, powered more by liquidity chasing bellwether stocks than by broad-based buying interest. This reveals that a sense of caution still pervades the market despite the headline rally.

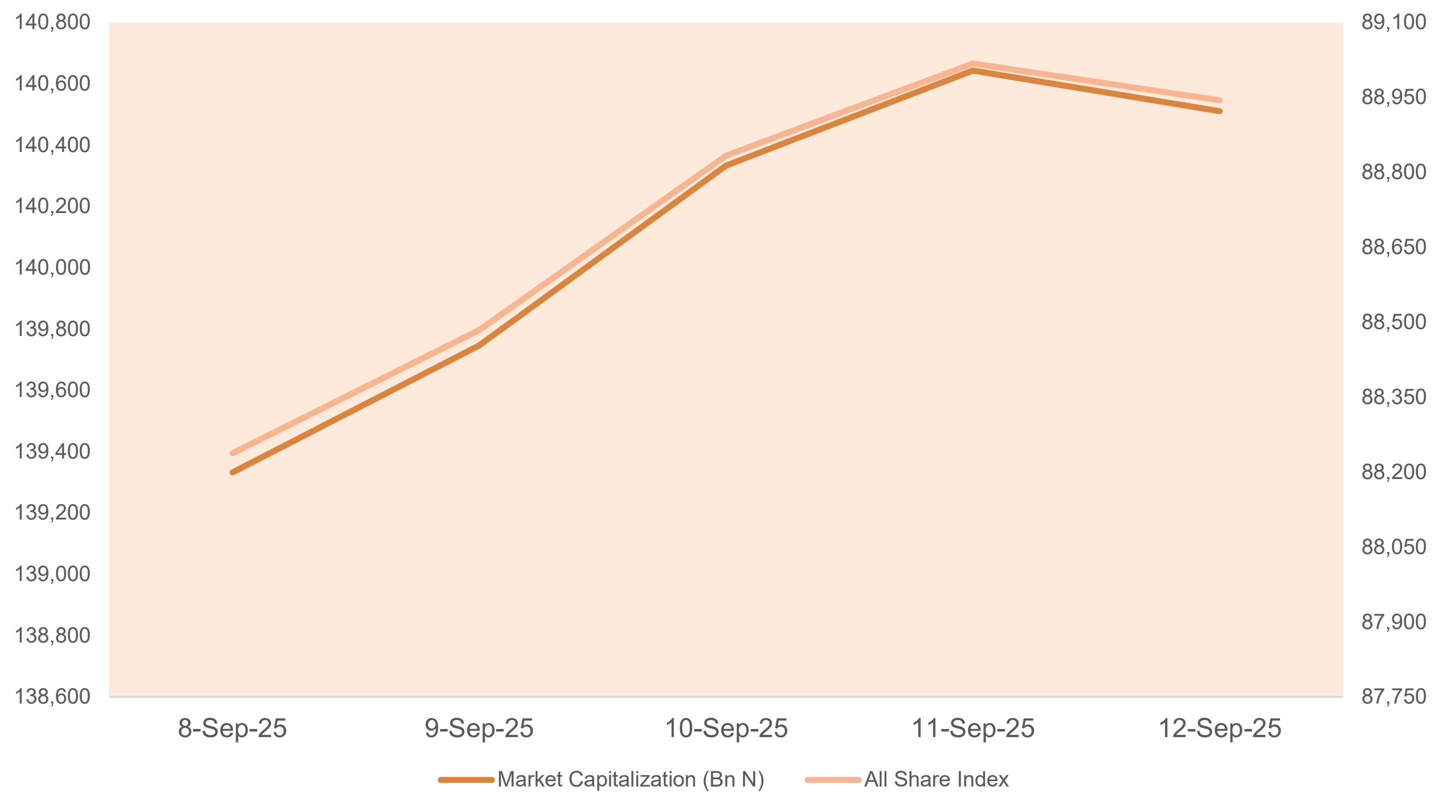
Activity levels in the market were equally robust, reflecting stronger conviction and participation from both institutional and retail investors. The total number of deals rose by 12.80 percent to 132,841, while the traded volume climbed 2.36 percent to 3.19 billion units. In addition, the value of transactions expanded by 10.54 percent week-on-week to N99.70 billion. This combination of higher deals, stronger volume, and a significant jump in value underscores not only heightened liquidity but also a visible tilt towards large-cap, blue-chip counters that continue to attract sizeable inflows.

Sectoral performance painted a uniformly positive picture as all six tracked indices closed higher. The Commodity Index led the pack with a 2.73 percent gain, supported by sustained appetite for commodity-linked stocks, while the Insurance Index followed closely with a 2.45 percent rise on the back of renewed interest in low-priced and resilient counters. The Oil and Gas sector also advanced by 2.38 percent, benefiting from improved sentiment in downstream plays amid a recovery in global oil prices. Banking stocks posted a 1.68 percent increase as investors rotated back into tier-one names after the profit-taking that dominated earlier sessions. The Industrial Goods sector added 1.13 percent, buoyed by gains in cement majors, while Consumer Goods stocks rose by 0.98 percent, rounding off what was broadly a week of green across the board.

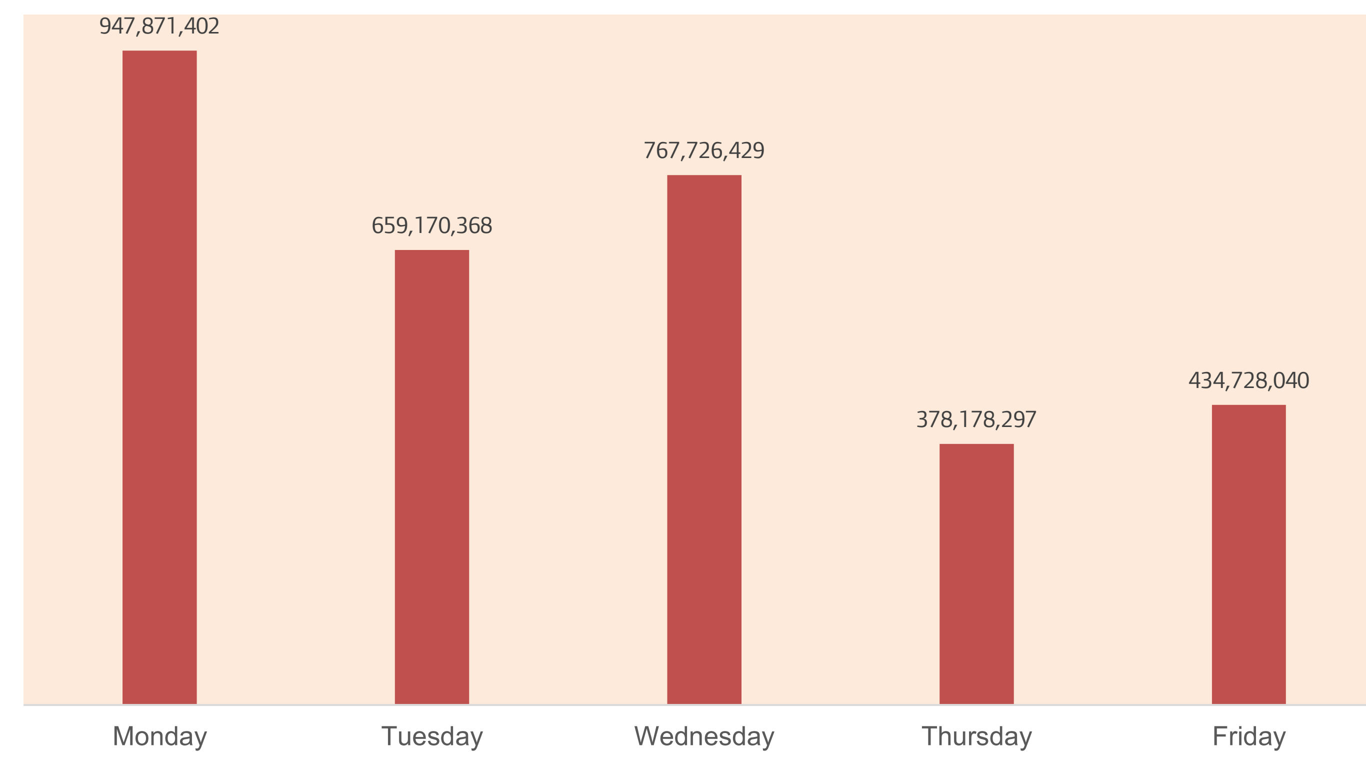
On the leaderboard of individual performances, ETRANZACT emerged the star gainer, surging 37.8 percent. NCR followed with a strong 31.6 percent rally, while REGALINS and CHELLARAM each advanced 26.7 percent. JOHNHOLT also joined the top gainers, closing the week with an 18.3 percent rise. On the other end of the spectrum, UNIONDICON led the laggards' chart with a 19.0 percent decline. ETERNA shed 18.4 percent, THOMASWY retreated 16.3 percent, ENAMELWA dropped 12.6 percent, and UPDC rounded out the top five losers with an 11.1 percent decline.

In the coming week, We expect the Nigerian equities market to trade with a cautious bullish bias. Sustained investor interest in bellwether stocks and improved market liquidity could extend the positive momentum. However, weak market breadth highlights lingering caution, suggesting that gains may remain selective across sectors. Profit-taking in recently rallying counters is also likely, particularly among top gainers. Overall, market direction will be shaped by liquidity levels, portfolio rebalancing, outcome of the August 2025 CPI data  and forthcoming MPC meeting as investors weigh equities against attractive yields in the fixed-income space.. We continue to advise investors to take position in stocks with strong fundamentals.

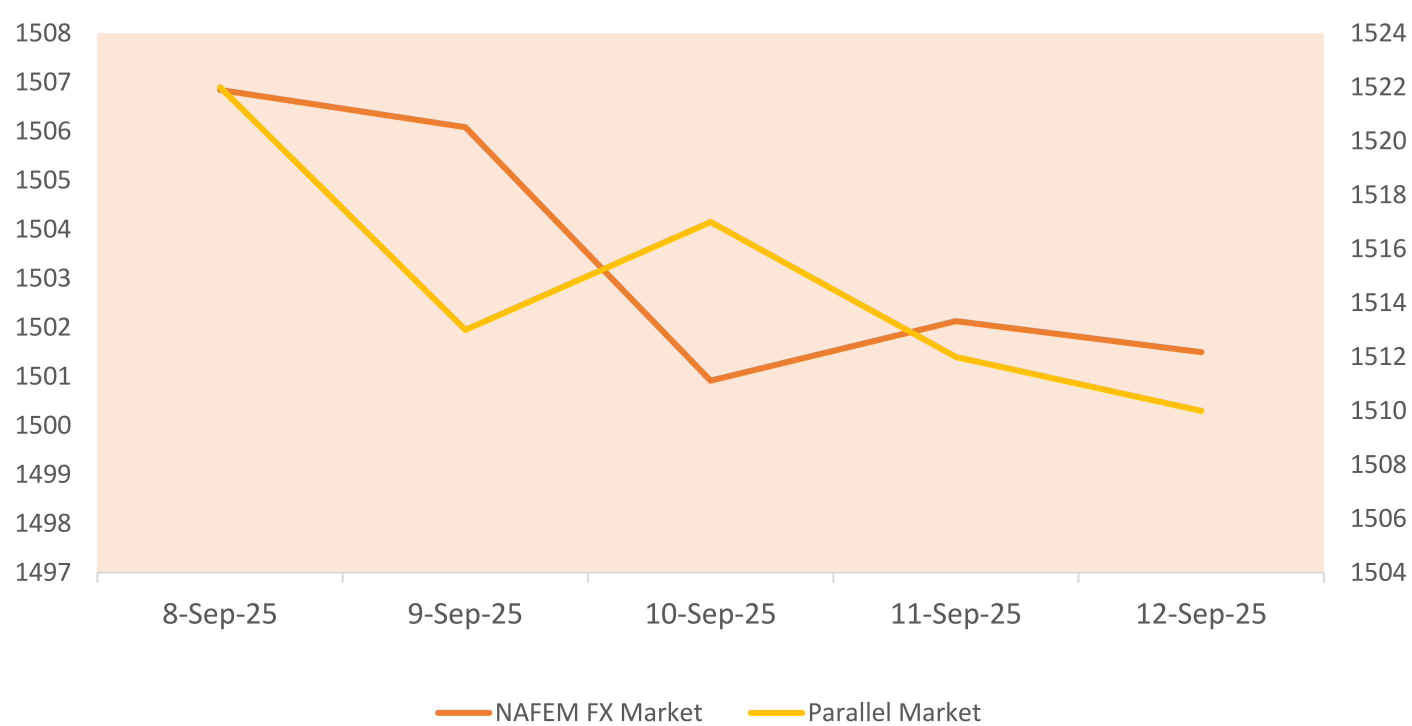
Evolution of Equities Performance Gauges



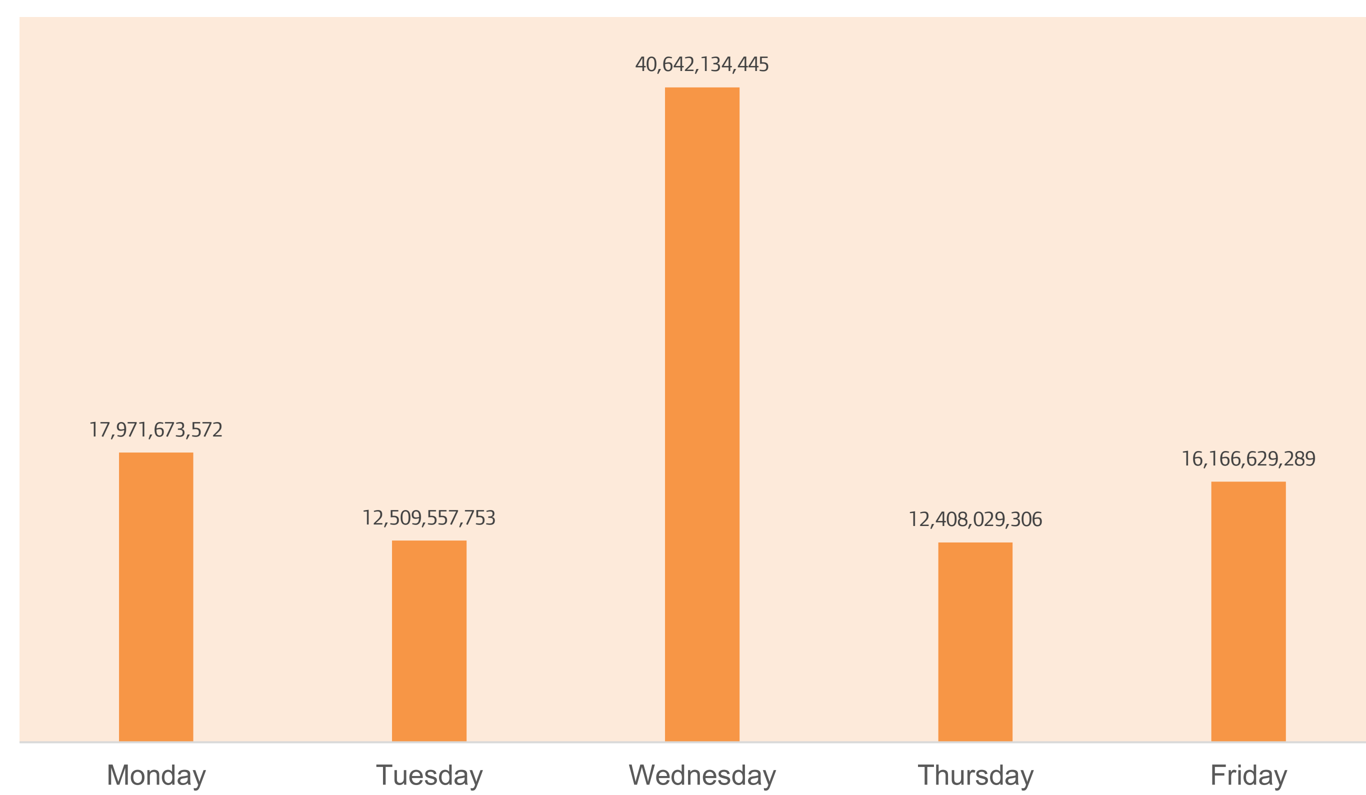

Daily Traded Volume




Evolution of NGN/USD Exchange Rates




Daily Traded Value



*Weekly Top Gainers and Losers as at Friday, September 12, 2025*

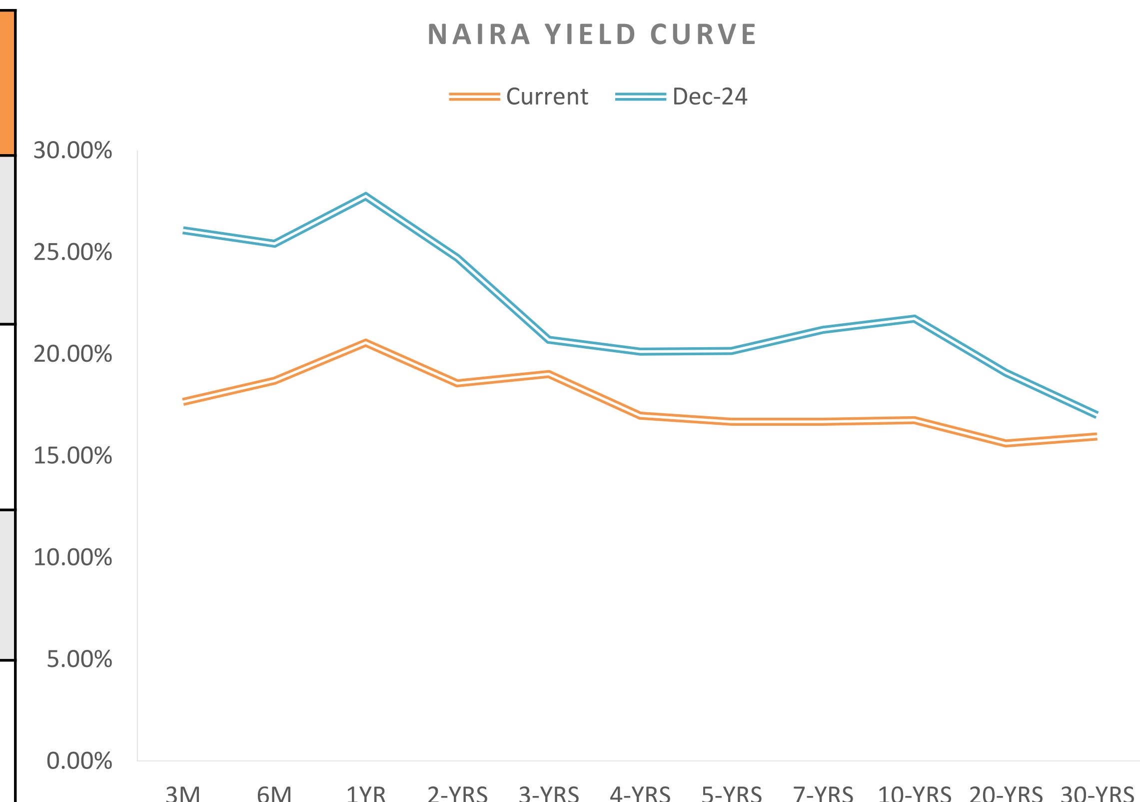
| Top Ten Gainers | | | | Bottom Ten Losers | | | |
|---|---|---|---|---|---|---|---|
| Symbol | 12-Sep-25 | 5-Sep-25 | % Change | Symbol | 12-Sep-25 | 5-Sep-25 | % Change |
| ETRANZACT | 14.95 | 10.85 | 37.8% | UNIONDICON | 9.80 | 12.10 | -19.0% |
| NCR | 15.20 | 11.55 | 31.6% | ETERNA | 31 | 38 | -18.4% |
| REGALINS | 1.66 | 1.31 | 26.7% | THOMASWY | 2.51 | 3 | -16.3% |
| CHELLARAM | 13.30 | 10.50 | 26.7% | ENAMELWA | 34.10 | 39.00 | -12.6% |
| JOHNHOLT | 7.45 | 6.30 | 18.3% | UPDC | 5.78 | 6.50 | -11.1% |
| SOVRENINS | 3.03 | 2.60 | 16.5% | MAYBAKER | 16.25 | 18.05 | -10.0% |
| GUINEAINS | 1.65 | 1.42 | 16.2% | NEM | 28.1 | 31.2 | -9.9% |
| ROYALEX | 2.3 | 2 | 15.0% | REDSTAREX | 11.00 | 12.00 | -8.3% |
| CORNERST | 7.33 | 6.39 | 14.7% | UNILEVER | 67.15 | 73.00 | -8.0% |
| CHAMS | 3.25 | 2.93 | 10.9% | LINKASSURE | 2.08 | 2.25 | -7.6% |

*FGN Eurobonds Yields as at Friday, September 12, 2025*

| | | | 12-Sep-25 | Weekly | 12-Sep-25 | Weekly |
|---|---|---|---|---|---|---|
| **FGN Eurobonds** | Issue Date | TTM (years) | Price (N) | USD Δ | Yield | PPT Δ |
| **7.625 21-NOV-2025** | 21-Nov-18 | 0.19 | 100.13 | -0.09 | 6.8% | 0.31 |
| **6.50 NOV 28, 2027** | 28-Nov-17 | 2.21 | 100.43 | 0.29 | 6.3% | -0.15 |
| **6.125 SEP 28, 2028** | 28-Sep-21 | 3.05 | 98.44 | 0.50 | 6.7% | -0.18 |
| **8.375 MAR 24, 2029** | 24-Mar-22 | 3.53 | 104.29 | 0.46 | 7.0% | -0.15 |
| **7.143 FEB 23, 2030** | 23-Feb-18 | 4.45 | 99.33 | 0.44 | 7.3% | -0.12 |
| **8.747 JAN 21, 2031** | 21-Nov-18 | 5.36 | 104.53 | 0.95 | 7.7% | -0.22 |
| **7.875 16-FEB-2032** | 16-Feb-17 | 6.43 | 99.62 | 0.89 | 8.0% | -0.18 |
| **7.375 SEP 28, 2033** | 28-Sep-21 | 8.05 | 95.21 | 1.29 | 8.2% | -0.23 |
| **7.696 FEB 23, 2038** | 23-Feb-18 | 12.46 | 92.44 | 1.74 | 8.7% | -0.25 |
| **7.625 NOV 28, 2047** | 28-Nov-17 | 22.22 | 85.63 | 2.05 | 9.2% | -0.25 |
| **9.248 JAN 21, 2049** | 21-Nov-18 | 23.38 | 100.57 | 2.35 | 9.2% | -0.25 |
| **8.25 SEP 28, 2051** | 28-Sep-21 | 26.06 | 89.36 | 1.16 | 9.4% | -0.13 |

*Weekly Stock Recommendations as at Friday, September 12, 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **ACCESSCORP PLC** | 4.88 | 6.63 | 103.75 | 0.26 | 5.49x | 28.95 | 18 | **26.8** | 36.4 | 22.8 | 30.8 | 36.00 | Buy |
| **GUINESS NIGERIA PLC** | 7.40 | 8.14 | 8.38 | 17.06 | 19.33x | 155.75 | 61.20 | **143.00** | 203.0 | 121.6 | 164.5 | 41.96 | Buy |
| **LAFARGE AFRICA** | 8.24 | 10.71 | 34.37 | 3.72 | 15.54x | 154.30 | 35.60 | **128.00** | 166.4 | 108.8 | 147.2 | 30.00 | Buy |
| **OKOMU OIL** | 49.83 | 68.77 | 81.99 | 12.44 | 20.47x | 1120 | 338.1 | **1020** | 1407.6 | 867.0 | 1173.0 | 30.00 | Buy |
| **UBA** | 5.35 | 8.29 | 107.46 | 0.45 | 9.10x | 50.55 | 19.40 | **48.70** | 75.5 | 41.4 | 56.0 | 55.00 | Buy |



*U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, September 12, 2025*

| MAJOR | 12-Sep-25 | Previous | Δ from Last | Weekly | Monthly | Yearly |
|---|---|---|---|---|---|---|
| EURUSD | 1.1717 | 1.1733 | -0.13%. | 0.06% | 0.05% | 5.81% |
| GBPUSD | 1.3555 | 1.3574 | -0.14%. | 0.39% | -0.22%. | 3.30% |
| USDCHF | 0.7970 | 0.7960 | 0.12% | -0.14%. | -0.97%. | -6.13%. |
| USDRUB | 83.7941 | 84.5039 | -0.84%. | 3.13% | 5.47% | -6.90%. |
| USDNGN | 17.3860 | 17.3565 | 0.17% | -1.85%. | -2.09%. | -8.41%. |
| USDZAR | 17.3860 | 17.3565 | 0.17% | -1.22%. | -0.78%. | -2.11%. |
| USDEGP | 48.1600 | 48.2179 | -0.12%. | -0.80%. | -0.60%. | -0.48%. |
| USDCAD | 18.50 | 18.4663 | 0.19% | 0.21% | 0.71% | 1.95% |
| USDMXN | 18.50 | 18.4663 | 0.19% | -0.94%. | -0.69%. | -3.62%. |
| USDBRL | 5.36 | 5.3899 | -0.50%. | -0.96%. | -0.69%. | -3.64%. |
| AUDUSD | 0.5949 | 0.5977 | -0.47%. | 1.35% | 1.33% | -0.98%. |
| NZDUSD | 0.5949 | -0.0600 | -0.47%. | 1.12% | -0.52%. | -3.38%. |
| USDJPY | 7.1260 | 7.1132 | 0.18% | 0.26% | 0.42% | 4.90% |
| USDCNY | 7.1260 | 7.1132 | 0.18% | 0.01% | -0.77%. | 0.39% |
| USDINR | 88.2560 | 88.2737 | -0.02%. | 0.07% | 0.93% | 5.22% |

*Global Commodity Prices as at 3:30 PM GMT+1, Friday, September 12, 2025*

| Commodity | | 12-Sep-25 | Previous | Δ from Last | Weekly | Monthly | Yearly |
|---|---|---|---|---|---|---|---|
| CRUDE OIL | USD/Bbl | 63.3 | 62.3 | 1.61% | 2.30% | 1.02% | -7.81%. |
| BRENT | USD/Bbl | 67.3 | 66.2 | 1.67% | 2.77% | 2.57% | -6.00%. |
| NATURAL GAS | USD/MMBtu | 3.0 | 9.8 | 1.98% | -2.25%. | 5.36% | 29.26% |
| GASOLINE | USD/Gal | 2.0 | 2.0 | 1.49% | 1.60% | -3.81%. | 3.12% |
| COAL | USD/T | 100.9 | 102.4 | -1.51%. | -5.70%. | -9.67%. | -26.96%. |
| GOLD | USD/t.oz | 3,649.9 | 3,631.8 | 0.50% | 1.59% | 8.73% | 41.54% |
| SILVER | USD/t.oz | 42.2 | 41.5 | 1.71% | 3.18% | 9.75% | 37.63% |
| WHEAT | USD/Bu | 519.5 | 521.5 | -0.38%. | 3.69% | 2.41% | -12.65%. |
| PALM-OIL | MYR/T | 4,445.0 | 4,453.0 | -0.18%. | -0.09%. | 0.23% | 16.57% |
| COCOA | USD/T | 7,147.7 | 7,308.5 | -2.20%. | -3.17%. | -16.55%. | -6.80%. |

# CONTACT US

**HEAD OFFICE**
Plot 1319, Karimu Kotun Street,
Victoria Island
Lagos
Website: www.cowryasset.com
Email: research@cowryasset.com

**ABUJA OFFICE**
Statement Suites Hotel D03 (3rd Floor), Plot 1002,
1st Avenue, Off Ahmadu Bello Way
Central Business District,
Abuja
Website: www.cowryasset.com
Email: research@cowryasset.com

**PORT HARCOURT OFFICE**
UPDC Complex, 26 Aba Road,
Port-Harcourt
River State
Website: www.cowryasset.com
Email: research@cowryasset.com

# RESEARCH TEAM

**CHARLES ABUEDE**

Cabuede@cowryasset.com

**TAIWO LUPO**

Tlupo@cowryasset.com

**TOMIWA JIMOH**

Tjimoh@cowryasset.com

www.cowryasset.com www.twitter.com/cowryassetmgt www.facebook.com/cowryasset