

COWRY WEEKLY FINANCIAL MARKETS

REVIEW & OUTLOOK (CWR)



Cowry Research



DOMESTIC ECONOMY: Foreign Investors Stir, But Locals Still Dominate as Market Liquidity Hits N6.92trn in 8M:25....

According to the latest domestic and foreign portfolio participation in equities trading polled by the NGX, the Nigerian capital market has witnessed a significant shift in trading dynamics through 2025, with liquidity levels swelling to N6.92 trillion as at August, compared to N3.48 trillion recorded in the same period of 2024. This reflects renewed activity across both foreign and domestic investors, though domestic players continue to account for the lion's share of transactions. This comes on the underlying fundamentals stemming from the strong stability seen in the Naira so far this year and the monetary authorities' accommodative monetary policy stance.

In January 2025, total market turnover stood at N607 billion, with foreign participation at just N71.5 billion or 11.78%, while domestic investors provided a commanding 88.22% (N535 billion). By February, foreign inflows dipped to N42 billion (8.37%), leaving the market heavily dependent on domestic liquidity. However, March delivered a dramatic reversal with total transactions surging to N1.12 trillion, underpinned by a sharp rise in foreign participation to N699 billion, representing 62.74% of market activity. This marked the first and only month within the period where foreign players overtook domestic investors, providing an early glimpse of returning offshore confidence.

Despite this spike, subsequent months saw foreign momentum taper off as foreign transactions fell back within the 8–18% range between April and July, while domestic investors once again drove activity. By May, total turnover was N700 billion, with foreign inflows at just N119 billion (16.98%) against domestic's N582 billion (83.02%). In July, foreign transactions hit N146 billion, just 8.04% of total market trades, compared to a resurgent domestic contribution of N1.67 trillion or 91.96%.

August reintroduced some foreign appetite, as offshore trades rose to N172 billion (18.91%), but still paled against domestic flows of N736 billion. On a year-to-date basis, foreign transactions amounted to N1.45 trillion, or 21.01% of the N6.92 trillion total, while domestic investors contributed N5.46 trillion, a commanding 78.99%. Breaking down domestic activity further, reveals that institutional investors remain the dominant force. As at August, domestic institutional trades hit N3.13 trillion within 8 months of 2025, compared to retail's N2.33 trillion. The gap is consistent with historical patterns, highlighting that pension funds, asset managers, and large corporates continue to provide market depth and resilience, while retail momentum — though growing — still trails.

Foreign participation has been more volatile, oscillating between sharp surges (March) and subdued activity (February, July), indicating offshore investors remain cautious. Foreign inflows for the year to date stood at N700 billion, closely matched by outflows of N748 billion — underscoring a cautious “in-and-out” trading pattern rather than deep commitment to the market.

From the above data, we deduced that while foreign investors remain relevant, the Nigerian market is increasingly domestically driven. Local institutions in particular continue to anchor liquidity, cushioning volatility that could otherwise arise from fickle offshore flows. However, the March spike is a reminder that when macro stability aligns with policy support — such as exchange rate stability and dovish monetary actions — foreign funds can still re-enter at scale.

Looking ahead, if the recent stability in the naira and easing monetary stance by the CBN are sustained, the balance could tilt toward higher foreign inflows, boosting overall liquidity and deepening equities market participation. But for now, the market story remains a domestic one: locals drive, foreigners hedge, and confidence rests on policy consistency.

FOREX MARKET: Naira Sustains Gains Across Markets on Stronger Inflows, Despite Oil Price Decline ...

Bullish sentiment prevailed in the FX market this week, as the naira sustained its upward momentum across official and parallel market windows. Gains were largely supported by a softer U.S. dollar—following weaker-than-expected U.S. economic data—and stronger foreign exchange inflows, which eased pressure on demand.

At the official window, the naira appreciated by 1.02% w/w, closing at N1,465.68/\$ underscoring renewed market confidence. Similarly, in the parallel market, the naira strengthened by 1.48% to N1,488/\$, reflecting the positive spillover from improved liquidity conditions.

External reserves provided additional support, rising 0.21% w/w to \$42.35 billion, buoyed by sustained CBN interventions and stronger FX inflows from oil receipts, remittances, and portfolio investments.

Meanwhile, the commodities market was weighed down by bearish trends in crude oil prices. Brent crude and WTI are on track for their steepest monthly decline in four months, pressured by market concerns that OPEC+ may extend its production boost at the October 5 meeting. As at time of writing, Brent crude traded at \$64.53/bbl (-8.3% wtd), while WTI stood at \$60.86/bbl (-7.6% wtd). Market sentiment remains cautious, as the prospect of an additional 500,000 bpd output increase could further deepen the supply glut.

In tandem with global benchmarks, Nigeria's Bonny Light crude slipped by 4.66% to \$69.94/bbl, raising concerns over potential revenue pressures for the government and broader fiscal implications should oil prices remain subdued in the short to medium term.

Looking ahead, We expect the naira to maintain relative stability across market windows, supported by sustained FX inflows, CBN interventions, and a softer dollar environment. However, downside risks remain from external factors, particularly the ongoing weakness in crude oil prices, which could weigh on external reserves and government revenues if prolonged.....

BOND MARKET: Robust Demand Spurs Rally in Nigerian Bonds and Eurobonds, Yields Trend Lower.....

The Nigerian secondary bond market ended the week on a bullish note, driven by strong investor demand across most tenor segments. Trading activity was particularly robust in short- and medium-term instruments, reflecting improved market sentiment and sustained appetite for fixed-income securities amid lingering uncertainties in other asset classes. This broad-based demand exerted mild downward pressure on yields, with the average yield falling by 24 basis points to 16.27% for the week.

The Debt Management Office (DMO) recorded a stellar outing at the September 2025 FGN Bond Auction, with overall subscription levels soaring 288.31% above the offer size. Demand was heavily skewed toward the mid-curve, as reflected in bid-to-cover ratios of 2.32x for the 5-year FGN AUG 2030 and an exceptional 10.28x for the 7-year FGN JUN 2032. At the close, the DMO allotted N576.62 billion across both tenors, splitting N87.80 billion to the 5-year and N488.82 billion to the 7-year notes. Interestingly, aggressive demand compressed marginal clearing rates to 16.00% (-195bps) for the 5-year and 16.20% (-175bps) for the 7-year, underscoring strong investor appetite amid improving market sentiment and stable naira conditions. The outcome suggests investors are increasingly confident in medium-term sovereign risk, encouraged by the blend of robust system liquidity, easing yield expectations, and macro signals of stability.

Similarly, the Nigerian sovereign Eurobond market closed the week on a positive note, supported by firm investor interest across the curve. Overall demand remained upbeat, as average Eurobond yields declined by 0.08% week-on-week to settle at 7.90%.

Looking ahead, We expect the Nigerian fixed-income market to sustain a broadly positive tone in the near term, supported by strong demand for short- and medium-term instruments. While profit-taking and possible CBN liquidity tightening may limit further yield compression, Eurobond demand should remain resilient, guided by global rate expectations and emerging market sentiment.....

MONEY MARKET: Liquidity Swells 43% W/W, but Funding Rates Hold Firm as T-Bill Bulls Take Charge...

The Nigerian money market opened the week on a robust footing, with system liquidity posting a net positive balance of N5.7 trillion. Banks, however, remained largely inactive on the lending side, channeling excess funds into the CBN's Standing Deposit Facility (SDF) window. By mid-week, over N5.39 trillion was parked with the apex bank — a clear sign of weak credit appetite and a preference for risk-free placements. Despite this abundance, liquidity did not flow freely. The system was hit by significant outflows, including N731 billion in OMO repayments and over N1.26 trillion in FGN Bond settlements conducted by the Debt Management Office (DMO). Other debits, totaling N576.62 billion, further tightened cash conditions. Yet, even after these drains, liquidity closed the week at N5.73 trillion, representing a hefty 43% week-on-week increase.

Curiously, funding rates did not mirror the liquidity swell. Overnight NIBOR inched higher by 10bps to 24.88% (from 24.78% the previous week), underscoring persistent funding pressures in the ultra-short end. By contrast, the 1-month, 3-month, and 6-month NIBOR tenors moved southward, shedding 7bps, 29bps, and 15bps, respectively, reflecting the weight of robust liquidity on the curve. Benchmark funding rates remained muted: the OPR held steady at 24.50%, while the Overnight rate was up only a whisker to 24.89%.

For the Nigerian Treasury Bills market, sentiment was strongly bullish. Investors crowded into short, mid, and long tenors, pushing average market yields lower by 12bps week-on-week to 17.93%. The movement suggests that investors are actively positioning around liquidity-driven opportunities, with demand spilling across the entire curve.

The NITTY curve presented a mixed picture. The 1-month tenor bucked the trend, rising 12bps to 16.16% week-on-week, while longer maturities softened significantly. The 3-month tenor declined 7bps to 16.99%, the 6-month lost 48bps to close at 18.23%, and the 12-month shed 53bps, finishing at 18.57%. This southward adjustment further validates the broad appetite for fixed-income assets in a liquid market environment.

The Central Bank of Nigeria's latest OMO auction sparked a flood of demand Friday, with total subscriptions hitting a massive N3.32 trillion. Yet, in a clear signal of caution, the CBN allotted just N98 billion, lower than N600 billion on offer despite the system being awash with liquidity. The 88-day paper was left untouched, while the 102-day and 123-day maturities cleared marginally higher at 20.49% and 20.61%, respectively. The conservative allotment reinforced the Bank's preference to mop up excess liquidity without overextending issuance.

In the secondary market, activity was muted as investors' attention tilted firmly toward the auction. Minimal buy-side interest trickled into select papers, with light trades observed on the 16-Dec, 3-Mar, and 2-Jun bills. With liquidity still running strong, investors appear to be holding back for further cues from the apex bank's short-term liquidity management strategy.

Looking into the coming week, we expect system liquidity to remain buoyant, supported by upcoming maturities of N250 billion in OMO bills and N230.76 billion in Treasury Bills. However, this will likely be tempered by fresh mop-up activity, as the CBN is expected to conduct both its regular T-bills primary market auction to sterilize excess liquidity. Investors, therefore, should prepare for an active week — one that may test the balance between liquidity-driven optimism and the CBN's tightening instincts.....

EQUITIES MARKET: Equities Market Sustains Rally, YTD Return Climbs to 39.50% Despite Mixed Trading Activity w/w....

The Nigerian equities market extended its positive momentum this week, with sentiment remaining broadly bullish despite a decline in the number of deals and transaction value. The NGX All-Share Index gained 1.02% w/w to close at 143,584.04 points, buoyed by renewed investor appetite for fundamentally strong stocks. Market capitalization followed suit, rising by 1.31% to N91.14 trillion, driven in part by the listing of 14.14 billion ordinary shares of Wema Bank Plc (50 kobo each) on Tuesday, September 30, 2025. This development contributed to an additional N1.18 trillion in investor gains.

The market's resilience was further underscored by a stronger year-to-date return of 39.50%, reflecting sustained bullish sentiment despite intermittent profit-taking. Evidence of portfolio rebalancing and selective positioning also highlighted investor confidence in the market's fundamentals.

Market breadth remained positive at 1.23x, with 53 gainers against 43 losers, pointing to cautious but positive optimism. However, overall activity was mixed: the number of deals declined slightly by 0.72% to 115,870 trades, while the value of transactions slumped by 76.62% to N115.52 billion, largely due to fewer block trades. On the other hand, traded volume increased by 9.35% to 8.40 billion units, suggesting stronger retail and mid-tier participation.

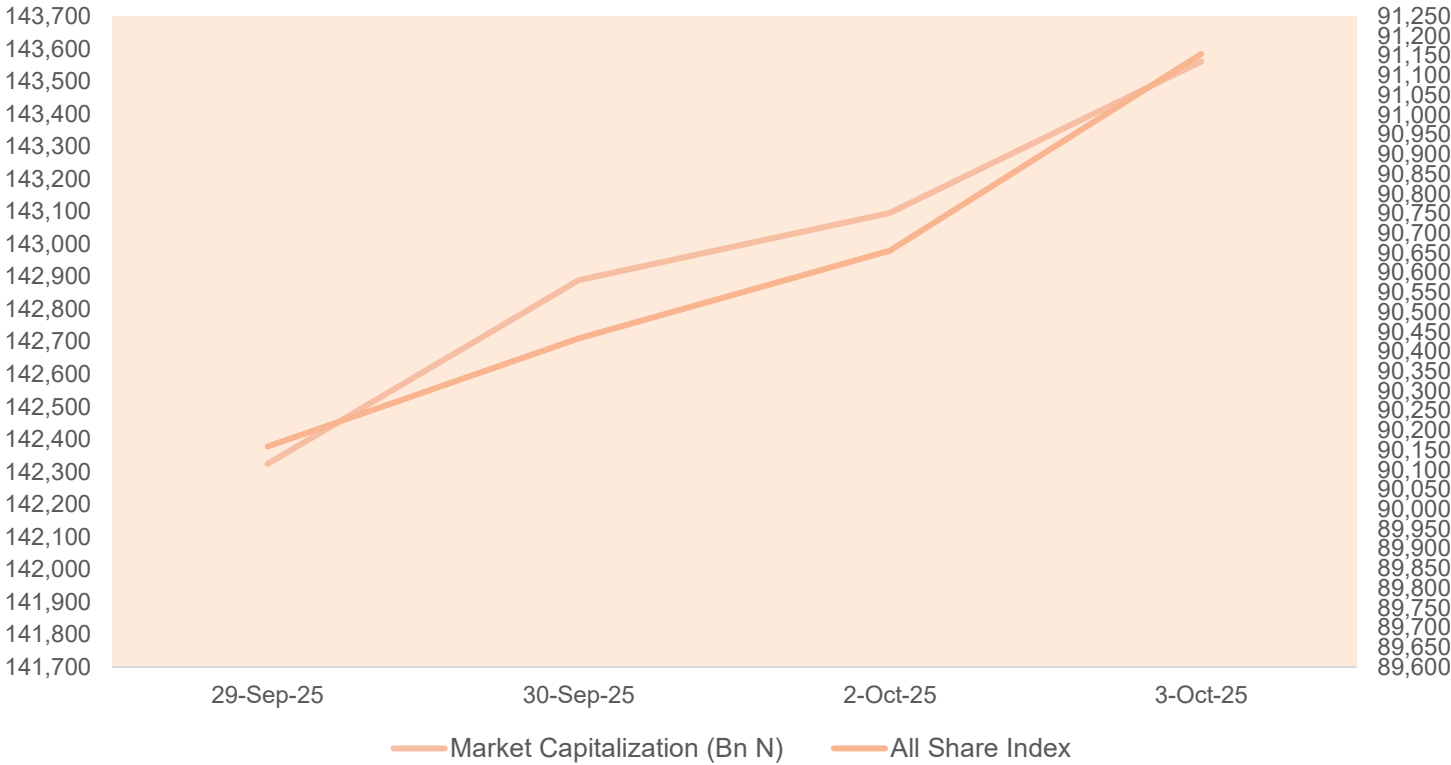
Performance across the sectors was broadly positive, with five out of six major indices closing higher. The Oil & Gas index led the gainers with a 5.68% rally, followed by Commodities (+2.94%), Industrial Goods (+1.66%), Banking (+1.17%), and Consumer Goods (+0.13%). The Insurance index was the sole laggard, shedding 2.02% on the back of profit-taking and weak sentiment in select counters.

On the weekly performers and laggards, Eterna Nigeria topped the gainers' chart with a 32.8% advancement, followed by Enamelwa (+20.9%), PZ (+20.9%), Livingtrust (+18.3%), and Eunisell (+17.6%). Conversely, Julius Berger (Jberger) led the losers, declining by 17.8% w/w, while Intenegins (-11.1%), Union Dicon (-10.0%), Mansard (-10.0%), and UPL (-9.8%) also closed lower, as investors adopted a cautious stance toward these counters.

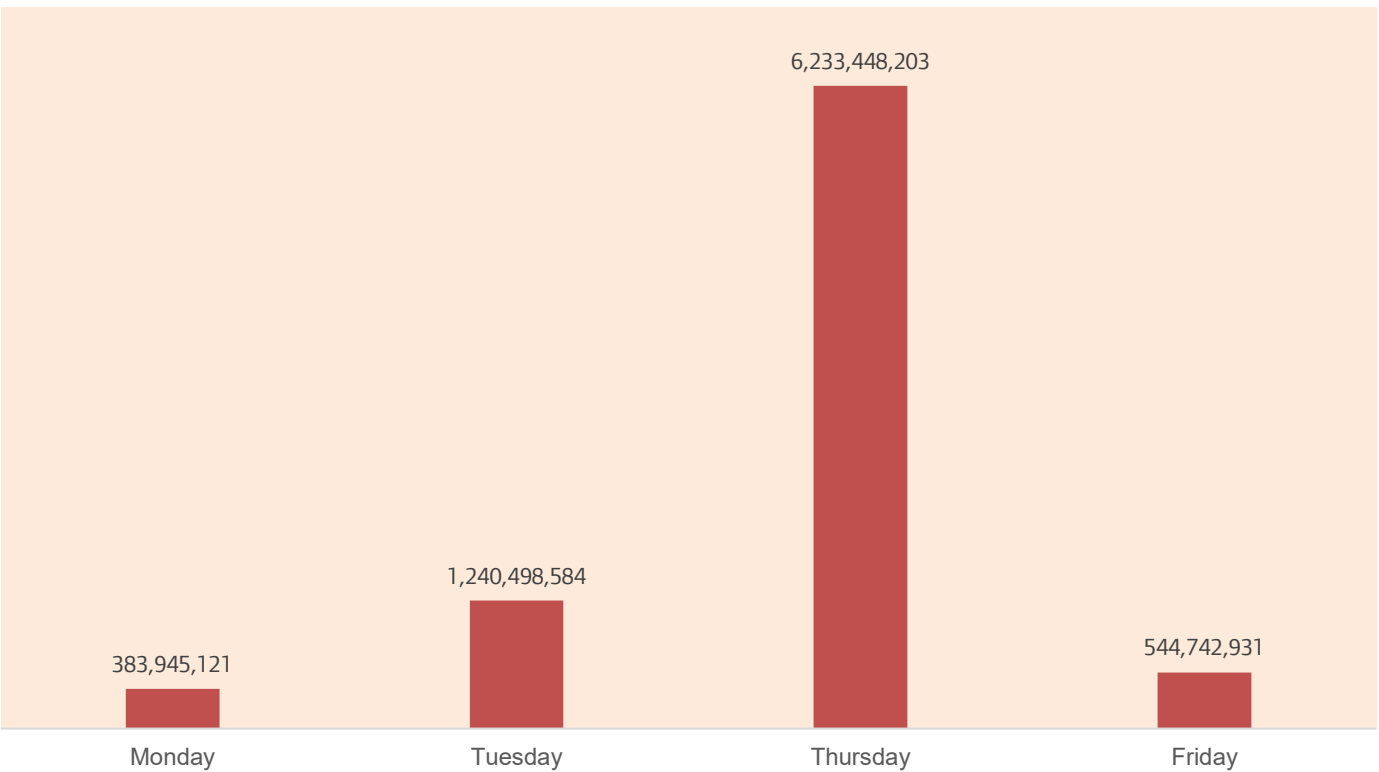
We expect the Nigerian equities market to maintain its bullish momentum in the near term, driven by sustained investor appetite for fundamentally strong stocks and portfolio rebalancing ahead of Q3 2025 reporting and earnings season. Although intermittent profit-taking and fewer block trades could result in mixed activity, the robust year-to-date performance, broad-based sectoral gains, and rising retail participation continue to underpin market stability. Meanwhile, we continue to advise investors to position in stocks with strong fundamentals and earning power....



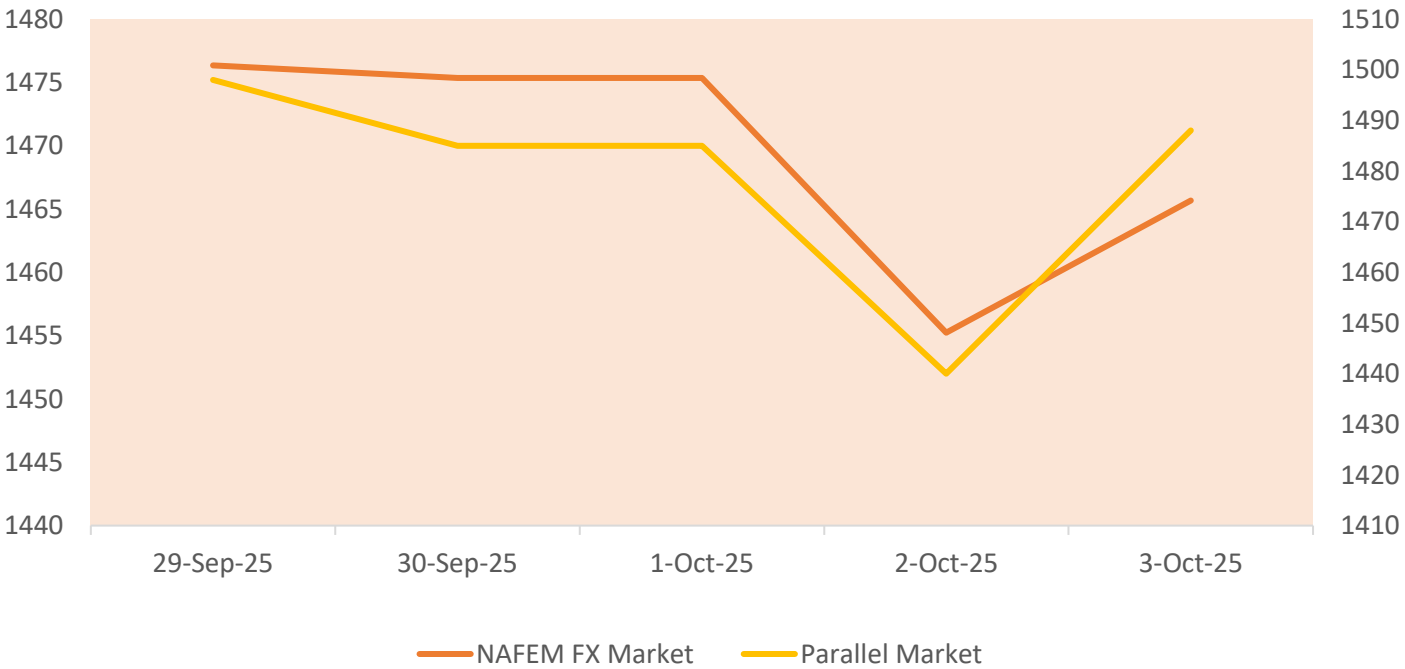
Evolution of Equities Performance Gauges



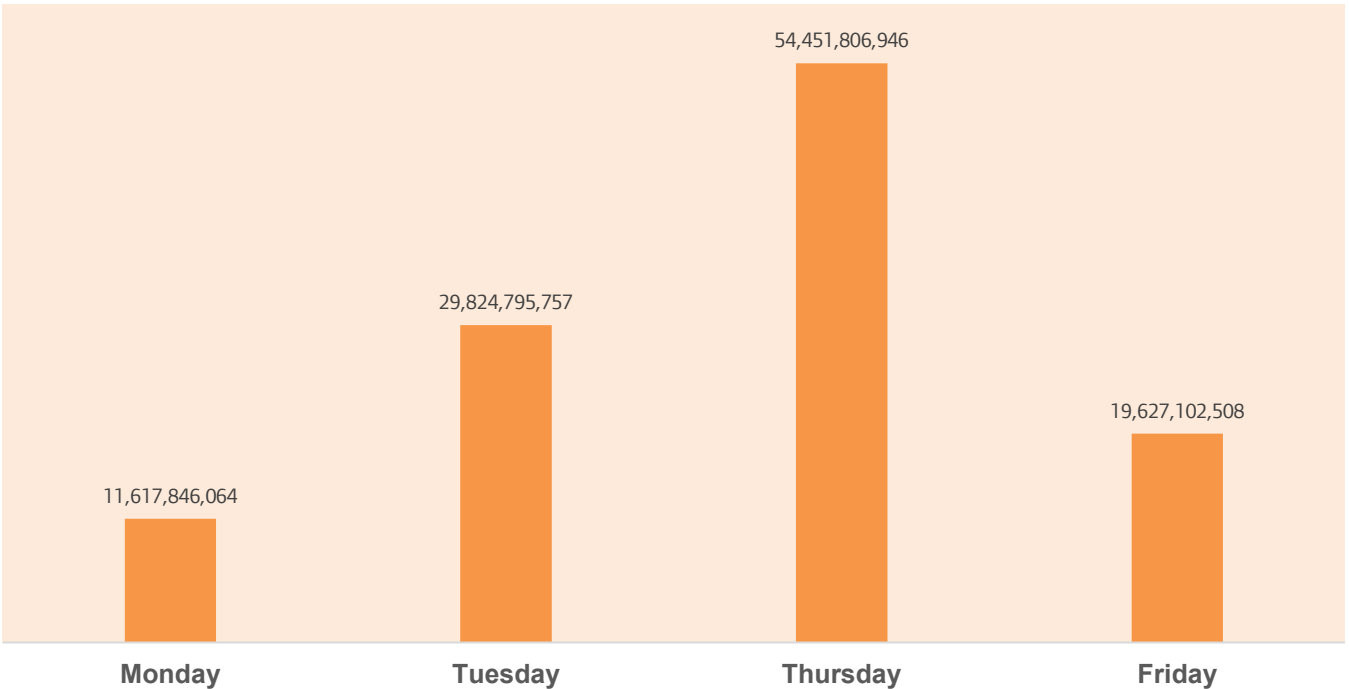
Daily Traded Volume



Evolution of NGN/USD Exchange Rates



Daily Traded Value



Weekly Top Gainers and Losers as at Friday, October 3, 2025

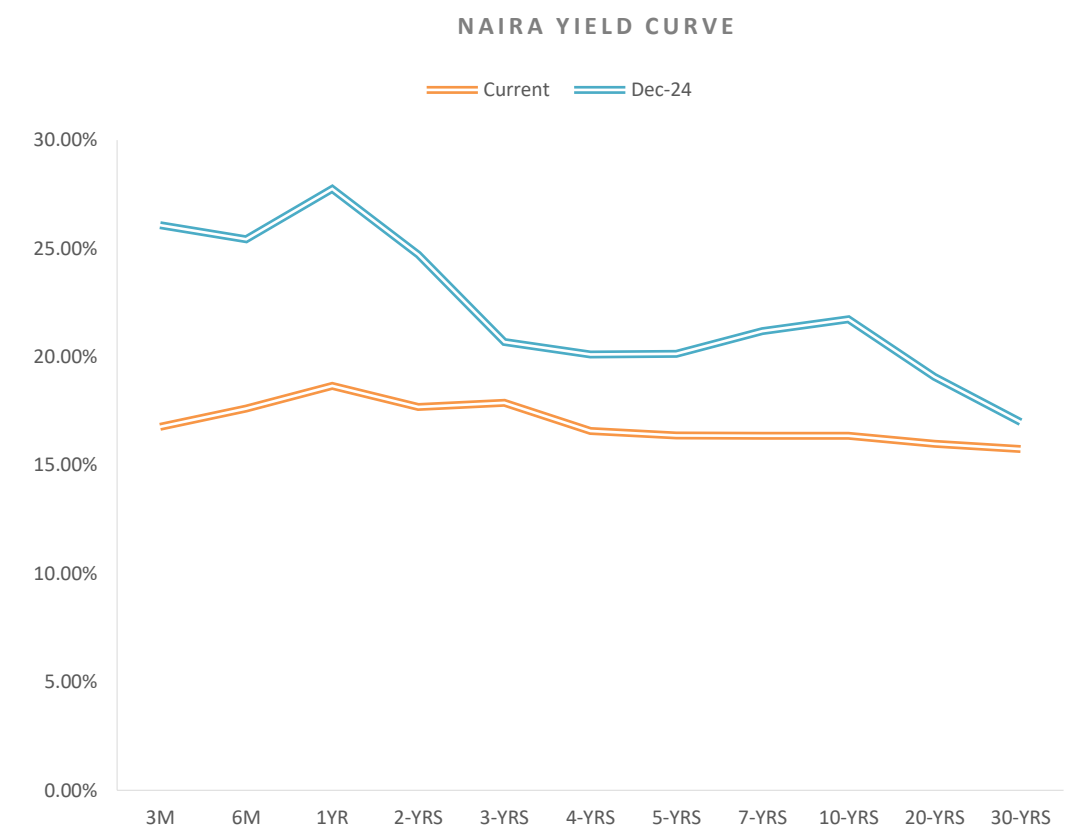
Top Ten Gainers				Bottom Ten Losers			
Symbol	3-Oct-25	26-Sep-25	% Change	Symbol	3-Oct-25	26-Sep-25	% Change
ETERNA	37.05	27.90	32.8%	JBERGER	122.90	149.50	-17.8%
ENAMELWA	42.45	35.10	20.9%	INTENEGINS	2.97	3.34	-11.1%
PZ	41.70	34.50	20.9%	UNIONDICON	8.1	9	-10.0%
LIVINGTRUST	6.09	5.15	18.3%	MANSARD	14.40	16.00	-10.0%
EUNISELL	39.50	33.60	17.6%	UPL	5.40	5.99	-9.8%
ARADEL	650.10	560.00	16.1%	LEARNAFRCA	6.5	7.2	-9.7%
CHAMS	3.85	3.40	13.2%	SOVRENINS	2.75	3.04	-9.5%
FIDELITYBK	20.5	18.45	11.1%	JOHNHOLT	7.20	7.95	-9.4%
UACN	73.70	67.00	10.0%	GUINEAINS	1.42	1.55	-8.4%
SFSREIT	346.55	315.05	10.0%	PRESTIGE	1.62	1.75	-7.4%

FGN Eurobonds Yields as at Friday, October 3, 2025

FGN Eurobonds	Issue Date	TTM (years)	3-Oct-25	Weekly	3-Oct-25	Weekly
			Price (N)	USD Δ	Yield	PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.13	100.03	(0.03)	7.2%	0.22
6.50 NOV 28, 2027	28-Nov-17	2.15	100.34	0.16	6.3%	(0.08)
6.125 SEP 28, 2028	28-Sep-21	2.99	98.28	0.26	6.8%	(0.13)
8.375 MAR 24, 2029	24-Mar-22	3.47	103.52	0.15	7.2%	(0.09)
7.143 FEB 23, 2030	23-Feb-18	4.39	99.12	0.39	7.4%	(0.12)
8.747 JAN 21, 2031	21-Nov-18	5.30	103.96	0.20	7.8%	(0.09)
7.875 16-FEB-2032	16-Feb-17	6.38	99.61	0.48	8.0%	(0.15)
7.375 SEP 28, 2033	28-Sep-21	7.99	95.02	0.74	8.2%	(0.16)
7.696 FEB 23, 2038	23-Feb-18	12.40	93.08	0.92	8.6%	(0.09)
7.625 NOV 28, 2047	28-Nov-17	22.17	86.93	1.44	9.0%	(0.21)
9.248 JAN 21, 2049	21-Nov-18	23.32	101.67	1.35	9.1%	(0.13)
8.25 SEP 28, 2051	28-Sep-21	26.00	90.74	1.54	9.2%	(0.21)

Weekly Stock Recommendations as at Friday, October 3, 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
ARADEL HOLDINGS PLC	33.26	43.24	334.5	1.94	19.54x	850.1	401.1	650.1	845.1	552.59	747.615	30.00	Buy
ACCESSCORP PLC	4.88	7.81	103.75	0.26	5.43x	28.95	19	26.5	42.4	22.5	30.5	60.00	Buy
NAHCO PLC	4.56	6.01	8.92	11.89	23.27x	117	33.25	106	139.9	90.1	121.9	32.00	Buy
NIGERIAN BREWERIES PLC	2.84	3.98	17.73	4.29	26.74x	78.7	26	76	106.4	64.6	87.4	40.00	Buy
MTN NIGERIA PLC	19.76	26.48	-2.02	-210	21.51x	495.0	169	425.00	569.5	361.3	488.8	34.00	Buy



U.S.-dollar foreign-exchange rates as at 4:30 PM GMT+1, Friday, October 3, 2025

MAJOR	03-Oct-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1747	1.1715	0.27%	0.39%	0.77%	7.03%
GBPUSD	1.3464	1.3440	0.18%	0.48%	0.16%	2.64%
USDCHF	0.7957	0.7981	-0.30%	-0.19%	-1.17%	-7.27%
USDRUB	82.3255	82.5484	-0.27%	-1.26%	1.26%	-13.33%
USDNGN	17.2346	17.2934	-0.34%	-1.39%	-4.05%	-10.47%
USDZAR	17.2346	17.2934	-0.34%	-0.48%	-2.98%	-1.48%
USDEGP	47.7500	47.7500	0.00%	-0.79%	-1.65%	-1.12%
USDCAD	18.39	18.4264	-0.18%	0.16%	1.00%	2.79%
USDMXN	18.39	18.4264	-0.18%	0.25%	-1.79%	-4.55%
USDBRL	5.35	5.3381	0.27%	0.15%	-1.73%	-1.90%
AUDUSD	0.5831	0.5818	0.23%	1.05%	1.28%	-2.76%
NZDUSD	0.5831	-0.0600	0.23%	1.31%	-0.32%	-5.29%
USDJPY	7.1345	7.1338	0.01%	-1.33%	-0.68%	-0.84%
USDCNY	7.1345	7.1338	0.01%	-0.10%	-0.02%	0.54%
USDINR	88.7640	88.7196	0.05%	0.10%	0.65%	5.63%

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

Commodity		03 - Oct-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	61.1	60.5	1.00%	-6.99%	-3.70%	-17.82%
BRENT	USD/Bbl	64.7	64.1	0.91%	-6.42%	-3.30%	-17.01%
NATURAL GAS	USD/MMBtu	3.4	9.8	-2.35%	5.24%	9.76%	18.22%
GASOLINE	USD/Gal	1.9	1.9	0.44%	-8.64%	-7.05%	-11.04%
COAL	USD/T	104.9	105.5	-0.66%	-0.19%	-3.36%	-26.47%
GOLD	USD/t.oz	3,877.3	3,856.1	0.55%	2.83%	9.25%	46.08%
SILVER	USD/t.oz	47.8	47.0	1.78%	3.38%	17.10%	47.99%
WHEAT	USD/Bu	514.5	514.8	-0.05%	-1.01%	2.44%	-12.76%
PALM-OIL	MYR/T	4,442.0	4,450.0	-0.18%	1.05%	-0.16%	3.18%
COCOA	USD/T	6,200.6	6,481.2	-4.33%	-10.27%	-13.97%	-12.14%

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