

# COWRY WEEKLY FINANCIAL MARKETS

## REVIEW & OUTLOOK (CWR)



Cowry Research



## DOMESTIC ECONOMY: Nigeria PMI Rises to 54.0 in October as Private Sector Activity Strengthens, Output Hits Six-Months High.....

The latest Stanbic IBTC Bank Nigeria Purchasing Managers' Index (PMI) for October 2025 signalled an improvement in business conditions across the Nigerian private sector, as the headline index rose to 54.0, up from 53.4 recorded in September. The reading—well above the neutral 50.0 threshold—indicates a solid monthly expansion in private sector activity and marks the 11th consecutive month of growth since December 2024.

The upturn in the PMI was primarily driven by stronger output growth and a sharper rise in new orders, supported by improving domestic demand, product innovation, and softening inflationary pressures relative to the trends observed through 2023 and early 2024. Business activity in Nigeria expanded at the fastest pace in six months, reflecting a sustained rise in customer demand and the successful introduction of new products and services. Firms across all four key sectors—manufacturing, agriculture, services, and wholesale/retail—reported increased output levels, with manufacturing posting the strongest growth.

According to survey respondents, rising customer inflows and new product launches were major catalysts behind the expansion in October. Additionally, the recent easing in inflationary pressures has improved purchasing power modestly, helping to stimulate new business and sustain demand momentum. New orders rose for the 12th consecutive month, registering a faster pace of growth compared to September. Firms cited higher client numbers, successful marketing efforts, and the introduction of innovative offerings as key factors underpinning stronger order books. Reflecting the steady improvement in activity, employment levels increased for the fifth month running, as firms hired additional staff to manage higher workloads. However, the rate of job creation was modest and slightly softer than in September, pointing to a cautious labour market recovery amid lingering cost pressures.

Higher employment levels allowed many businesses to keep pace with rising output requirements, though power outages and delays in customer payments contributed to unchanged backlogs of work during the month. This suggests that while demand is expanding, operational bottlenecks—especially around electricity reliability and working capital cycles—remain a drag on productivity. Firms continued to expand their purchasing activity for the eleventh consecutive month, marking the fastest increase since May 2025. The rise in input buying was largely tied to stronger customer demand and anticipation of further order inflows in the coming months. Similarly, stocks of purchases grew at a marked but slightly slower pace, with inventories expanding for the 11th month running as firms sought to build up inputs in readiness for sustained production growth. Encouragingly, suppliers' delivery times shortened for the fourth straight month, underscoring improved supply chain efficiency. Respondents attributed the improvement to prompt supplier payments and better road conditions, which collectively contributed to smoother logistics operations.

After easing to a two-and-a-half-year low in September, input cost inflation accelerated slightly in October. Despite this uptick, the overall rate of increase remained muted relative to 2023 and 2024, signalling that inflationary pressures are stabilizing. The rise in input costs was driven by faster increases in both purchase prices and staff costs: Purchase prices rose modestly, reflecting higher material, fuel, and food costs. However, the pace of inflation was still among the slowest in five-and-a-half years, suggesting underlying cost pressures are being contained. Staff costs also inched higher as firms adjusted wages to offset rising living expenses, especially in transportation and logistics. Despite the uptick in input costs, output prices—the prices firms charge customers—rose at the second-slowest pace in five-and-a-half years, slower only than August's reading. This reflects a competitive pricing environment where firms are constrained in passing on higher costs to consumers, likely due to sensitivity in household spending and ongoing cost-of-living pressures. Among sectors, manufacturing recorded the sharpest increase in input and output prices, while wholesale and retail saw the slowest rise in selling prices.

Although firms remained optimistic about future output, business confidence weakened for the fourth consecutive month, reaching its lowest level since May 2025. About 46% of surveyed firms expect output to rise over the next 12 months, underpinned by plans to expand operations, scale up marketing, and pursue export opportunities. Nonetheless, persistent macroeconomic headwinds—including currency volatility, energy costs, and delayed client payments—continue to weigh on sentiment, reflecting a cautious optimism among private sector players. The improvement in the October PMI reading underscores the resilience of Nigeria's private sector amid a challenging macroeconomic backdrop. The combination of rising output, robust new orders, and easing supply bottlenecks points to gradual recovery momentum, supported by improving liquidity, policy stability, and softening inflation expectations. However, the moderation in business confidence and lingering structural challenges—notably power supply constraints, inflation pass-through risks, and exchange rate volatility—suggest that growth remains fragile and uneven across sectors. Looking ahead, sustained macroeconomic stability, improved infrastructure reliability, and policy consistency will be crucial to maintaining private sector expansion heading into 2026 and translating current momentum into broader economic growth.

**EQUITIES MARKET: Bourse Bleeds Further as Sell Pressure Rattles ASI Below 150k Points; Investors Lose N2.83trn.....**

The Nigerian equities market extended its bearish momentum this week as profit-taking dominated trading sentiment amid a combination of domestic and external headwinds. The NGX All-Share Index (ASI) fell by 2.99% week-on-week to close at 149,524.81 points, reflecting sustained selling pressure as investors adjusted portfolios in response to geopolitical tensions surrounding the US-Nigeria diplomatic faceoff, year-end portfolio rebalancing, and expectations of window-dressing activities by institutional players.

Consequently, the market capitalization of listed equities declined by N2.83 trillion to N94.99 trillion, representing a 2.89% contraction in investors' wealth over the five trading sessions. Despite the downturn, the market still maintained a robust year-to-date (YTD) return of 45.27%, underscoring its overall resilience in a volatile macroeconomic environment.

Market breadth remained heavily skewed to the bears, closing at 0.27x with 20 gainers against 75 losers, a clear indication of widespread sell pressure across sectors. Trading activity also slowed during the week, as total deals fell by 8.82% to 145,518 trades, while transaction volume and value plunged by 52.19% and 26.40% to 3.58 billion units and N107 billion, respectively. The decline in market activity suggests waning investor appetite and a cautious stance ahead of the year's final trading months.

Across key sectors, performance was broadly negative, reflecting deepened profit-taking and sectoral weakness. The Banking index led the losers' chart with a 3.85% weekly decline, pressured by selloffs in tier-one counters. The Insurance sector fell by 7.56%, while the Consumer Goods and Oil & Gas indices retreated by 2.54% and 4.80%, respectively, amid weakening investor confidence. Similarly, Industrial Goods and Commodity indices closed lower by 1.09% and 1.63%, rounding off a week dominated by red positions across the board.

On the gainers' side, selective bargain-hunting supported a few counters, with NCR (+20.9%), EUNISELL (+20.2%), UNIONDICON (+9.9%), HONYFLOUR (+9.5%), and UPDC (+6.8%) emerging as top performers on renewed buying interest and improved liquidity positions. Conversely, SOVRENINS (-28.2%), CILEASING (-20.2%), SKY AVN (-19.0%), BERGER (-17.4%), and INTENEGINS (-17.0%) suffered steep losses, reflecting sustained sell pressure and weak sentiment among retail and institutional investors alike.

Looking ahead, the market is likely to remain cautious as investors continue profit-taking and reallocate capital in line with fiscal-year considerations. Although near-term volatility may persist, the impressive YTD gains suggest that underlying fundamentals remain relatively strong. Market direction in the coming weeks will likely be influenced by macroeconomic indicators, particularly inflation, exchange rate stability, corporate earnings updates, and liquidity flows from both local and foreign investors. However, investors are expected to maintain a selective approach, tilting toward fundamentally sound and defensive stocks capable of weathering short-term market swings.....

## BOND MARKET: Bond Market Stays Bullish; Eurobond Yields Rise Despite Record \$13bn Oversubscription....

The Nigerian secondary bond market closed the week on a bullish note, buoyed by strong investor appetite across most maturities. Sentiment improved markedly as investors sought refuge in fixed-income instruments amid growing volatility in equities and global markets. The sustained demand drove a modest yield compression, with the average benchmark yield declining by 12 basis points week-on-week to 15.77%. Notably, demand was concentrated in mid-to-long tenor bonds, signalling a preference for duration exposure and expectations of relative yield stability and potential capital gains in the near term.

In contrast, the sovereign Eurobond market weakened, weighed by cautious sentiment toward emerging market debt. The average yield on Nigerian Eurobonds rose by 32 basis points week-on-week to 7.97%, reflecting a repricing of risk amid a stronger U.S. dollar and rising geopolitical tensions between Washington and Abuja. Investors appeared to price in heightened uncertainty despite Nigeria's recent strong showing in the international debt market.

Nigeria's return to the international capital market was nonetheless a resounding success. The country raised \$2.35 billion through a dual-tranche Eurobond issuance that attracted \$13 billion in orders, representing a 453% oversubscription rate. The issue comprised \$1.25 billion due 2036 at 8.625% and \$1.10 billion due 2046 at 9.125%, underscoring robust investor confidence in Nigeria's credit story despite a turbulent global backdrop.

President Bola Tinubu and Finance Minister Wale Edun hailed the outcome as a clear vote of confidence in the government's reform-driven economic agenda, while DMO Director-General Patience Oniha described it as a strategic milestone in deepening market access and diversifying funding sources. According to the Debt Management Office, proceeds from the issuance will be deployed to finance the 2025 fiscal deficit and refinance maturing Eurobonds, with listings planned on the London Stock Exchange, FMDQ, and the Nigerian Exchange (NGX).

The DMO emphasized that refinancing through new issuance aligns with global best practices, mirroring recent approaches by Kenya, Cameroon, and Angola. Meanwhile, Nigeria continues diplomatic engagement with the U.S. to ease emerging frictions over religious freedom and security concerns — a move analysts believe will help sustain foreign investor confidence in the months ahead.

Looking ahead, the domestic bond market is expected to sustain its bullish tone in the near term, buoyed by steady demand from pension funds, asset managers, and institutional investors seeking safe and predictable returns. Investors are likely to position ahead of the next primary auction, taking advantage of attractive yields along the mid-curve amid expectations of moderated inflation and liquidity support from the Central Bank.

However, sentiment in the Eurobond segment may remain tepid, as global investors tread cautiously in response to tightening global monetary conditions, a stronger U.S. dollar, and persistent geopolitical tensions. Consequently, while domestic fixed-income assets are poised to benefit from sustained local inflows, performance in the Eurobond space will hinge on evolving external macro narratives and risk sentiment across emerging markets.....

## FOREIGN MARKET: Naira Dips at Official Window Despite CBN Interventions as Oil Prices Slide....

The naira came under renewed pressure this week, losing ground at the official window despite sustained Central Bank of Nigeria (CBN) interventions aimed at stabilising the market. The local currency weakened by 1.03% week-on-week to N1,436.58/\$1 in the official segment, even as it appreciated by 2.83% to N1,450/\$1 in the parallel market — reflecting a tug-of-war between FX supply support and persistent demand pressures.

Meanwhile, Nigeria's external reserves rose 0.23% week-on-week to \$43.30 billion from \$43.20 billion, buoyed by steady oil receipts, stronger non-oil inflows, and a sustained trade surplus that continue to reinforce the CBN's liquidity backstop.

Crude oil prices, however, extended their decline for a second consecutive week, weighed down by excess supply concerns despite emerging disruptions in Russian oil exports following U.S. sanctions. Brent crude traded at \$63.69 per barrel and WTI at \$59.73, both sliding from the week's open, as record volumes of crude in transit and floating storage added to market caution. Similarly, Nigeria's Bonny Light fell by 1.48%, reflecting soft sentiment across global energy markets.

Looking ahead, we expect the naira to trade within a narrow band as CBN interventions persist, though lingering FX demand and softening oil prices may sustain mild pressure on the currency. With reserves inching higher, short-term stability appears achievable — but global oil dynamics and local liquidity management will remain key determinants of exchange rate performance in the near term.....

**MONEY MARKET: System Liquidity Stays Buoyant, Investors Lean Toward Longer-Dated Bills....**

System liquidity opened the week on a solid footing, with a net surplus of N3.06 trillion, buoyed by OMO repayments totalling N1.5 trillion, which lifted liquidity levels to around N4.6 trillion midweek. By Friday, the market closed with N3.91 trillion in surplus balances — up 58.3% week-on-week from N2.47 trillion the previous week, reflecting a much-improved funding environment.

Despite the robust liquidity, funding rates presented a mixed picture. The Overnight NIBOR rate closed flat at 24.88%, as lending activity in the interbank market remained subdued, even as banks increased placements at the CBN's Standing Deposit Facility window.

In the secondary market, the Nigerian Interbank Treasury Bills True Yield (NITTY) curve showed a split trend — the 1-month and 3-month maturities dipped to 16.55% and 16.62%, respectively, while the 6-month and 12-month tenors inched up to 17.37% and 18.86%, reflecting selective duration positioning by investors.

Similarly, the average yield on Treasury bills declined by 11bps week-on-week to 17.39%, supported by renewed buy interest and improved sentiment across short-term instruments. Conversely, OMO bill yields edged higher by 13bps to 22.03%, as the market adjusted to fresh CBN supply and shifting liquidity dynamics.

At the NTB primary auction, the DMO offered N650 billion across standard tenors, attracting strong investor interest with N1.2 trillion in total subscriptions. Despite the high demand, final allotments stood at N546.2 billion. Stop rates for the 91-day and 182-day papers held steady at 15.30% and 15.50%, while the 364-day tenor dipped by 10bps to 16.04%, suggesting investors' appetite for longer tenors amid expectations of stable short-term rates.

Similarly, the OMO auction conducted by the Central Bank of Nigeria (CBN) on November 4, 2025, mirrored investors' preference for longer-dated bills. The CBN offered N300 billion each for 56-day and 84-day maturities. The 84-day paper drew robust interest, attracting subscriptions worth N1.11 trillion (over three times oversubscribed), compared to a modest N68 billion subscription for the 56-day bill.

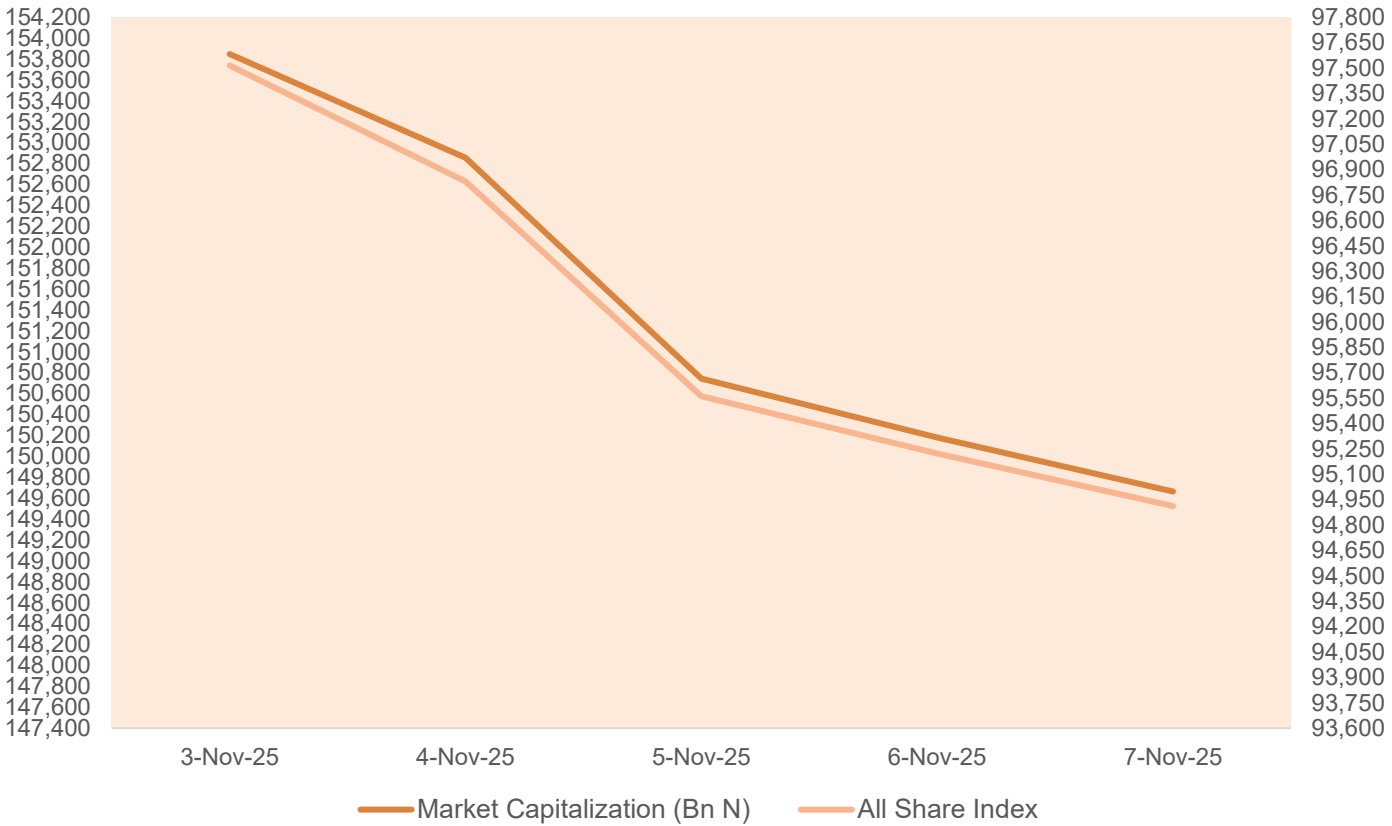
Stop rates settled at 21.69% (56-day) and 21.84% (84-day), within tight bid ranges, as the apex bank allotted N30 billion and N243.6 billion, respectively — a move consistent with its liquidity management strategy.

The week's market activity underscores investors' confidence in short-term government instruments, supported by healthy liquidity conditions and expectations of rate moderation in the near term. Looking ahead, system liquidity is projected to remain elevated, aided by an expected N300 billion OMO maturity in the coming week, which should help sustain a stable funding environment and maintain mild downward pressure on short-term yields.....

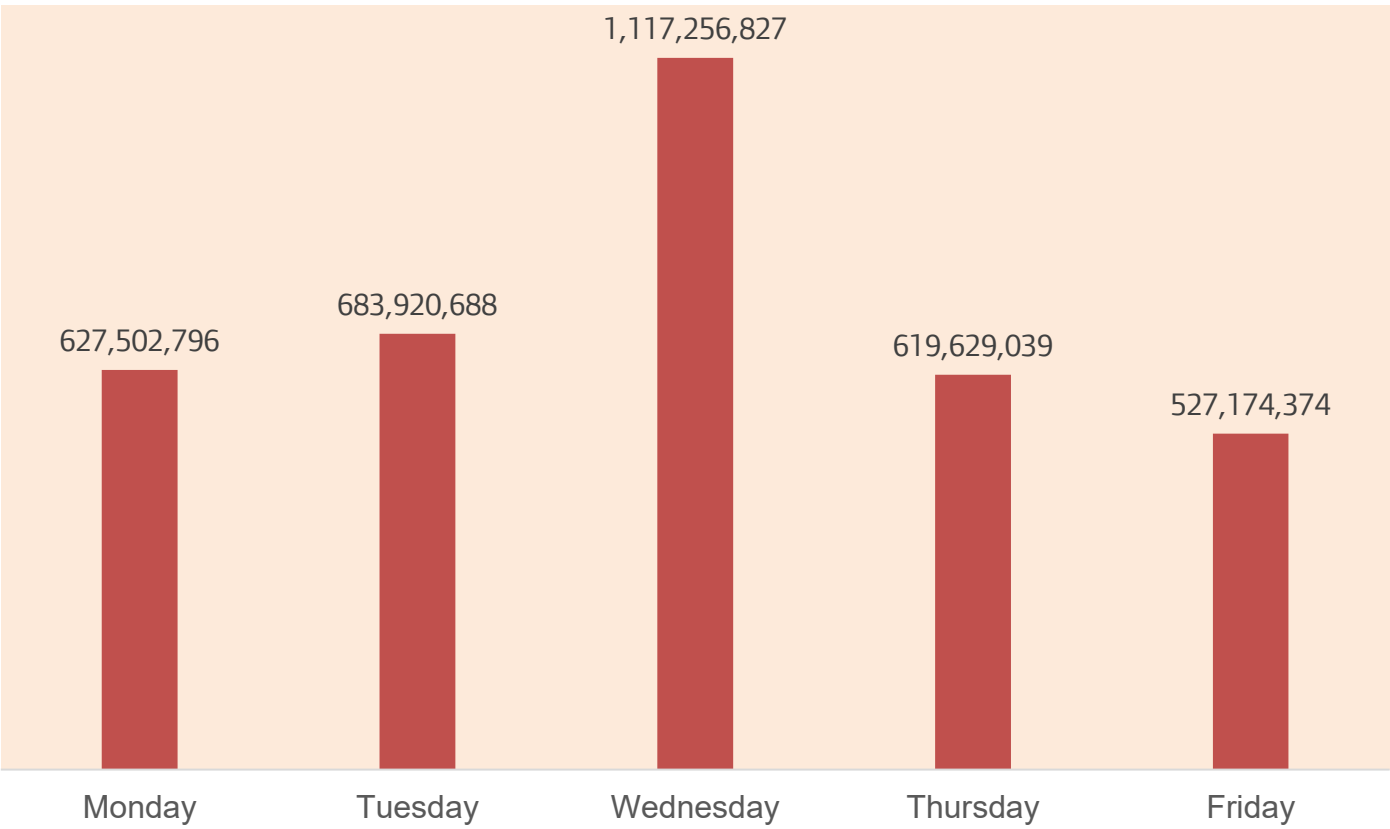




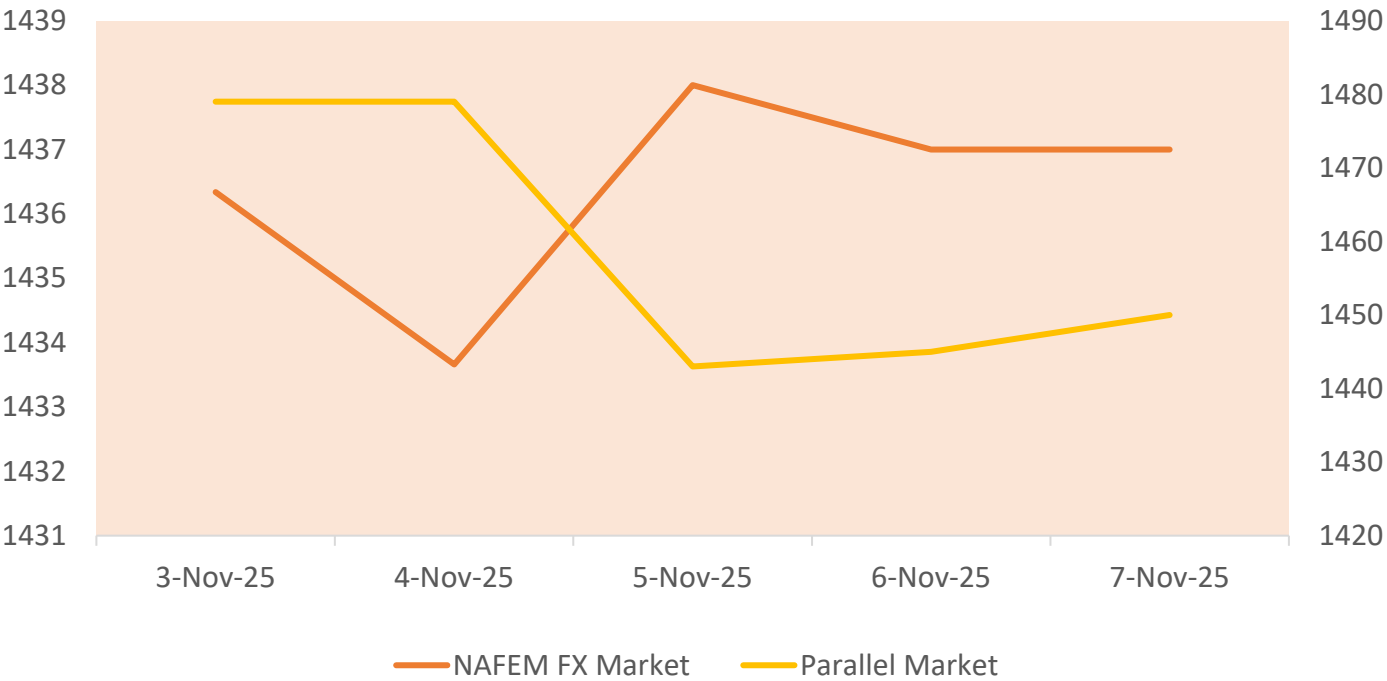
Evolution of Equities Performance Gauges



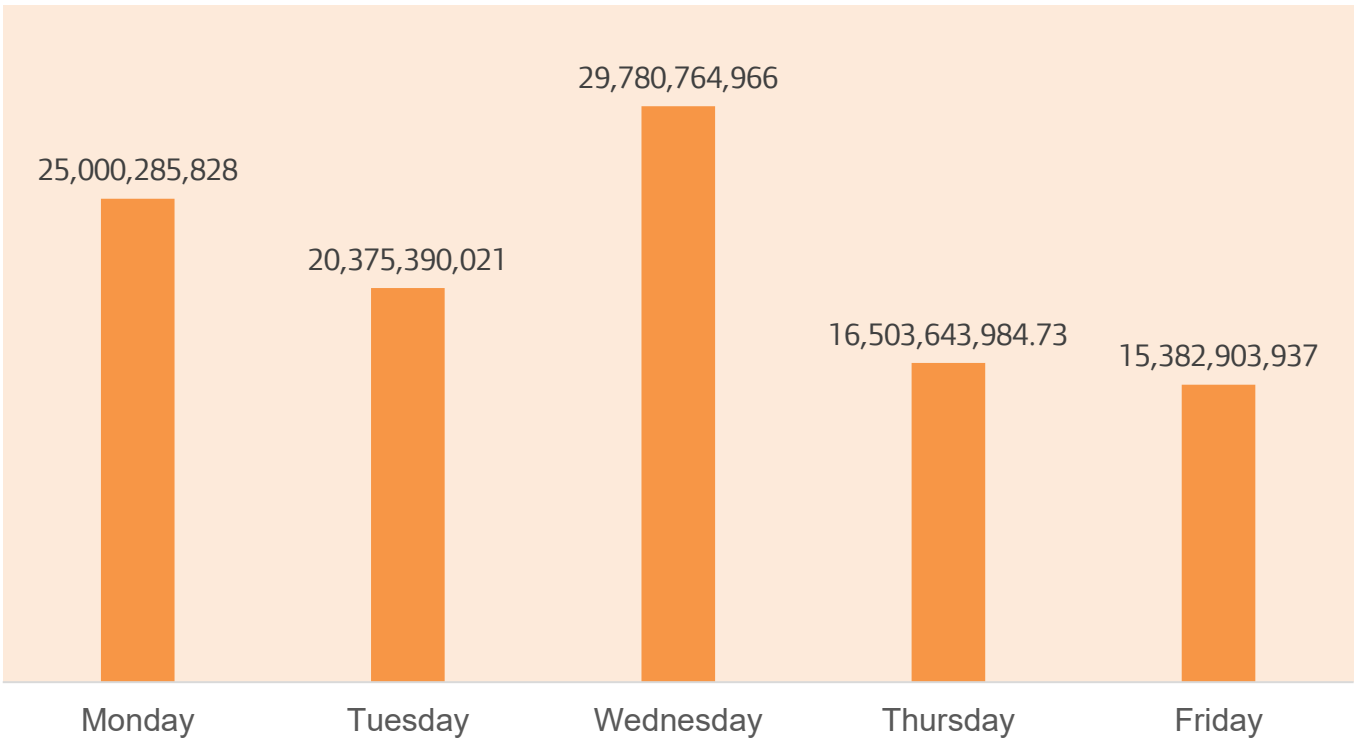
Daily Traded Volume



Evolution of NGN/USD Exchange Rates



Daily Traded Value



## Weekly Top Gainers and Losers as at Friday, November 7, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	7-Nov-25	31-Oct-25	% Change	Symbol	7-Nov-25	31-Oct-25	% Change
NCR	19.35	16.00	20.9%	SOVRENINS	2.80	3.90	-28.2%
EUNISELL	70.90	59.00	20.2%	CILEASING	5.03	6.3	-20.2%
UNIONDICON	7.75	7.05	9.9%	SKYAVN	80.6	99.5	-19.0%
HONYFLOUR	21.90	20.00	9.5%	BERGER	35.10	42.50	-17.4%
UPDC	6.59	6.17	6.8%	INTENEGINS	2.44	2.94	-17.0%
LIVESTOCK	7.40	7.00	5.7%	OANDO	40	48.05	-16.8%
ETRANZACT	13.25	12.70	4.3%	TANTALIZER	2	2.4	-16.7%
LIVINGTRUST	4.14	4	3.5%	TIP	10.75	12.80	-16.0%
ABBEYBDS	7.20	7.00	2.9%	CHAMPION	13.00	15.00	-13.3%
OKOMUOIL	1,110.00	1,080.00	2.8%	ASOSAVINGS	0.90	1.03	-12.6%

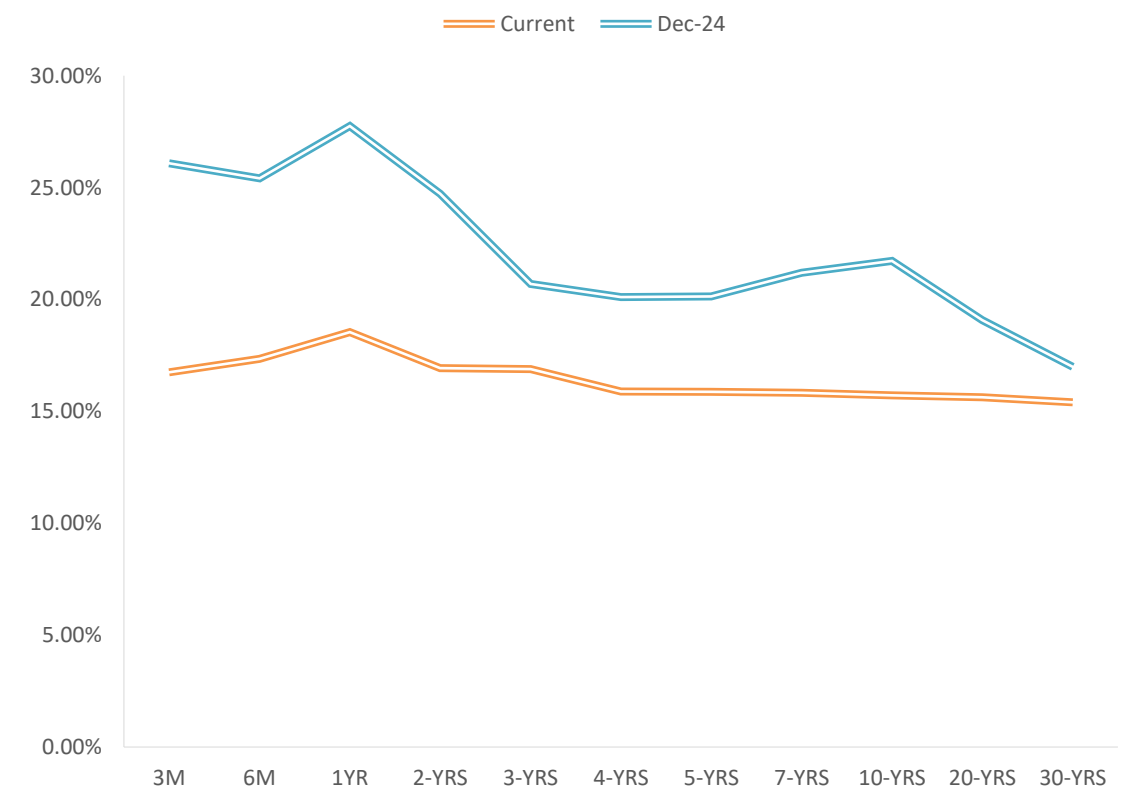
## FGN Eurobonds Yields as at Friday, November 7, 2025

FGN Eurobonds			7-Nov-25	Weekly	31-Oct-25	Weekly
	Issue Date	TTM (years)	Price (N)	USD Δ	Yield	PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.04	100.00	-0.07	7.3%	1.16
6.50 NOV 28, 2027	28-Nov-17	2.06	99.69	-0.85	6.7%	0.45
6.125 SEP 28, 2028	28-Sep-21	2.89	97.51	-0.85	7.1%	0.34
8.375 MAR 24, 2029	24-Mar-22	3.38	102.78	-0.97	7.4%	0.31
7.143 FEB 23, 2030	23-Feb-18	4.30	98.62	-0.95	7.5%	0.26
8.747 JAN 21, 2031	21-Nov-18	5.21	104.04	-0.85	7.8%	0.19
7.875 16-FEB-2032	16-Feb-17	6.28	99.13	-1.33	8.1%	0.27
7.375 SEP 28, 2033	28-Sep-21	7.90	95.38	-1.16	8.2%	0.21
7.696 FEB 23, 2038	23-Feb-18	12.30	92.83	-1.43	8.7%	0.20
7.625 NOV 28, 2047	28-Nov-17	22.07	87.87	-1.17	8.9%	0.14
9.248 JAN 21, 2049	21-Nov-18	23.22	101.79	-1.59	9.1%	0.16
8.25 SEP 28, 2051	28-Sep-21	25.91	91.49	-1.22	9.1%	0.13
7.625 21-NOV-2025	21-Nov-18	0.04	100.00	-0.07	7.3%	1.16

## Weekly Stock Recommendations as at Friday, November 7, 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
HONEYWELL FLOUR MILLS	0.20	0.28	4.95	4.42	107.27x	30.20	3.97	21.90	30.2	18.6	25.2	38.00	Buy
LAFARGE AFRICA	8.24	10.87	34.37	3.84	16.03x	154.30	35.60	131.00	174.2	112.2	151.8	32.00	Buy
JULIUS BERGER	4.44	6.66	227.46	0.62	31.51x	172.5	58.5	138.90	210.0	119.0	161.0	50.00	Buy
UNITED BANK OF AFRICA	13.56	18.99	113.62	0.35	2.93x	50.55	22.95	40.00	55.7	33.8	45.7	40.00	Buy
STANBIC IBTC	10.91	14.83	59.82	1.88	10.30x	111.10	52.95	112.35	152.8	95.5	129.2	36.00	Buy

NAIRA YIELD CURVE





*U.S.-Dollar Foreign Exchange Rates as at 4:30 PM GMT+1, Friday, November 7, 2025*

MAJOR	31-Oct-2025	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1561	1.1547	0.12%	0.20%	-0.60%	7.85%
GBPUSD	1.3121	1.3137	-0.12%	-0.24%	-2.12%	1.58%
USDCHF	0.8055	0.8067	-0.15%	0.03%	0.43%	-8.01%
USDRUB	80.9600	81.2525	-0.36%	0.20%	-0.67%	-17.05%
USDNGN	17.3430	17.3604	-0.10%	-0.66%	-2.36%	-14.08%
USDZAR	17.3430	17.3604	-0.10%	0.19%	1.18%	-1.34%
USDEGP	47.3500	47.2980	0.11%	0.25%	-0.48%	-3.80%
USDCAD	18.56	18.5796	-0.12%	0.72%	1.12%	1.45%
USDMXN	18.56	18.5796	-0.12%	-0.10%	1.22%	-7.99%
USDBRL	5.36	5.3512	0.23%	-0.23%	0.38%	-6.48%
AUDUSD	0.5621	0.5634	-0.23%	-0.97%	-1.60%	-1.56%
NZDUSD	0.5621	-0.0600	-0.23%	-1.69%	-2.70%	-5.77%
USDJPY	7.1242	7.1213	0.04%	-0.57%	0.28%	0.32%
USDCNY	7.1242	7.1213	0.04%	0.02%	-0.36%	-1.02%
USDINR	88.6720	88.6720	0.00%	-0.10%	-0.10%	5.07%

*Global Commodity Prices as at 3:30 PM GMT+1, Friday, November 7, 2025*

Commodity		31-Oct-2025	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	59.9	59.4	0.71%	-1.89%	-4.35%	-14.99%
BRENT	USD/Bbl	63.8	63.4	0.64%	-1.57%	-3.77%	-13.70%
NATURAL GAS	USD/MMBtu	4.3	9.8	-1.21%	4.49%	29.29%	61.46%
GASOLINE	USD/Gal	2.0	2.0	0.54%	3.80%	3.71%	-2.07%
COAL	USD/T	110.7	109.9	0.64%	1.61%	5.58%	-22.19%
GOLD	USD/t.oz	3,995.3	3,977.0	0.46%	-0.18%	-1.12%	48.90%
SILVER	USD/t.oz	48.5	48.0	1.06%	-0.54%	-0.66%	55.12%
WHEAT	USD/Bu	532.5	535.5	-0.56%	-0.28%	4.98%	-6.99%
PALM-OIL	MYR/T	4,110.0	4,149.0	-0.94%	-2.26%	-9.59%	-19.41%
COCOA	USD/T	6,083.2	6,185.2	-1.65%	-1.13%	1.35%	-14.57%

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